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AND
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BIRTHS.

On April 29th, at Chungking, the wife of Mr. JAMES MURRAY, a son.

On May 16th, at Shanghai, Mrs. PATRICK CAMPBELL, of a son.

MARRIAGES.

On May 9th, at Shanghai, GEORGE ELFORD GRIFFIN to CECILIA ("ISSIE") FARMER HARDIE, Municipal Librarian, and second daughter of the late William Hardie, of Shanghai.

On May 11th, at Shanghai, VALENTINE ROTH, Obernai, Alsace-Lorraine, to ELSIE MABEL CLATWORTHY, of Somerset.

On May 12th, at Shanghai, ARTHUR GEORGE BRA, A.R.I.B.A., of Shanghai, to MARGARET Horrocks.

At Shanghai, FRANK HARRIS CROSSLEY, to MARGARET ELLEN GOULD.

DEATHS.

On May 14th, at Shanghai, SYBIL ZILLAH daughter of Simon and Violet Levy, aged three weeks.

At the Government Civil Hospital, about midnight on the 18th May, WEI ON, Solicitor, of Hongkong, deeply regretted.

Hongkong Weekly Press.

HONGKONG OFFICE: 104, DES VŒUX ROAD CL.
LONDON OFFICE: 131, FLEET STREET, E.C.

ARRIVAL OF MAIIS.

The German Mail of April 23rd arrived, per the s.s. *Scharnhorst*, on Wednesday, the 22nd instant; and the French Mail of April 26th arrived, per the s.s. *Australien*, to-day.

FAR EASTERN NEWS.

Plague is raging in Formosa with increasing virulence. A telegram from the Formosan Government to the Home Department, received on May 6th, states that on that day 27 fresh cases had been reported, bringing the total for this year up to 1,237.

The British and American Consuls at Tairen [Tidley] have suggested to the Japanese Administration there that the lower-class Chinese shall be segregated within a special enclosure, on the ground of their insanitary methods, which are detrimental to the public health.

The Japanese Government has notified China that it is ready to transfer the Hsinmin'un-Mukden Railway, though the term within which it should do so has not yet expired.

Viceroy Yuan Shih-kai has offered a reward of \$500 for information leading to the arrest of the persons who placed the blood stains on certain houses in Tientsin, as recently reported in these columns.

Owing to alarmist reports by missionaries in Hainan, a British cruiser and American gunboat hurried to Hoihow early this month. The Chinese authorities had suppressed the trouble, however, which was a sort of garrison mutiny.

Negotiations on a treaty relating to the establishment of the Tairen Customs, which have been in progress between the Japanese Minister at Peking and Sir Robert Hart, are reported to have now been concluded and the treaty is to be signed, at present awaiting the approval of the Governments of the two countries. It is stated that the conditions of the treaty will be tried for one year, and if any defect is found, the treaty will be revised upon the expiry of the first twelve months.

On May 18th Count Otani Kozi, Chief Abbot of the Western Hongwanji of Kyoto, was received in audience by his Majesty the Emperor of Japan. The following Imperial message was granted by his Majesty:—"During the war of 1904-5 you, in accordance with the purpose of your ancestors, stimulated the public spirit of the adherents of your religion. You further exercised your energies in encouraging the morals of the troops by sending your priests to the front. We greatly appreciate your arduous services."

According to Japanese contemporaries, there is a serious depression of trade in Vladivostok and the Japanese merchants are reduced to a very trying position. The depression is attributed to the keen competition, which has led them to import considerable quantities of certain lines of goods, which they had to dispose of at a loss. The fact that many Japanese shipped goods for Vladivostok, without making a due investigation of the market which thus became glutted with the same line of goods, is also responsible for the depression.

News reached Hongkong last week that the French cruiser *Chancy* had gone ashore on a steep headland close to the entrance to Shanghai. The extent of the damage is not at present known, but the Danish tug *Protector* left Hongkong on the 21st May to save the cruiser. The *Chancy* is a vessel of 4,750 tons, of 9,500 horse power and has a speed of 19 knots. Built at Bordeaux in 1896, she is fitted with Belleville boilers and has a crew of 370. Her armament consists of two 7.6, six 5.5 and ten smaller guns, while she has four torpedo tubes (above water).

At a meeting of the Public Works Committee, held on the 16th instant, the Chairman laid before the Committee a plan showing a proposed path extending from a point in May Road adjoining the tramway to a point in Barker Road close by the Victoria Hospital, and explained that it would form a much more direct route from the city to the Victoria Hospital than either of those existing at present. It would also connect up with the existing path from Barker Road to Plantation Road. The estimated cost of the work was \$3,000. It was unanimously agreed to recommend that the path be made.

The new quarters of the Victoria Recreation Club were opened on the 20th May. There was a large attendance of members and friends and the occasion was honoured in an appropriate manner. Mr. Rodger, president, invited the company to drink "Success to the Club," and the toast was cordially acknowledged. During the day the opportunities for swimming were largely embraced.

A Taipei dispatch states that the resistance among the savage tribes against the advance of the defence line, is becoming stronger, repeated charges being made on the Japanese police forces. On the 8th instant four police-men were killed while four others were wounded. On the 9th Mr. Hayakawa, head of the police of the Toyen District Office, and another man were killed, and four others wounded by a bomb explosion.

Censor Chao Chi-ling, who some days ago impeached Prince Ching and his son, Duke Tsai Chen on a charge of bribery, in respect of \$100,000 presented to Prince Ching and a singing girl presented to Tsai by Tuan Chi-kuo, the ex-Governor of Heilungkiang, has been cashiered, his charge not holding good. The Imperial Edict, by which this has been announced, adds that in future all memorials of officials against each other must be furnished with legal proofs.

The Chinese fast cruisers *Haiyung* and *Huchow* have been ordered to visit the islands of the South Pacific, Tongking and Siam, wherever Chinese congregate, in order to show the Dragon flag to them and convince Chinese in foreign colonies that the paternal Home Government still keeps a friendly interest in their welfare. Taotai Tsai Ting-kan, of the Peiyang administration, will accompany the squadron as a special commissioner to endeavour to translate the patriotic ardour it is hoped to arouse into a practical attempt to raise voluntary contributions, which will assist the Government in building a Navy. The following are some of the places to be visited by the special squadron:—Hongkong, Saigon, Bangkok, Singapore, Java, Batavia, Samarang, Sourabaya, Iloilo (Philippines) and Manila. The squadron will make a stay of three, five, or seven days, as the case may be, in the harbour visited, in order to enable all Chinese who may wish to do so, to visit the cruisers as much as they please.

The following circular, dated May 9th, has been issued by the foreign Exchange Banks at Shanghai:—"The foreign Exchange Banks have recently had under discussion the system at present in vogue with the Shipping Companies of issuing Bills of Lading marked 'Freight payable in Shanghai' or 'Freight to be collected in Shanghai.' It must be quite evident that this method provides no adequate protection to the Banks interested, as it is possible that the freight might not be paid before the arrival of the goods at their destination, in which case the Shipping Companies would probably endeavour to stop delivery until their claim had been satisfied. The Banks see no reason why they should consent to the Shanghai Companies giving credit without accepting any risk or responsibility, and in order to safeguard their interests they have decided that in the future when freight is payable in Shanghai, they will not accept as security for advanced Bills of Lading which are not clearly marked 'Freight paid' and the words initialled by a responsible officer of the Shipping Company interested."

THE COMMISSION (1).

(Daily Press, May 18th.)

It may be most regrettable mental obtuseness that after pondering the remarks of HIS EXCELLENCE THE OFFICER ADMINISTERING THE GOVERNMENT we find ourselves unable to see how the conduct of the corrupt employees of the Hongkong Sanitary Board "drags the name of Englishman into the mire", or how it can be said to have "tarnished the national honour." As the offenders were not all English, Mr MAY might more fittingly have employed the term "Briton", and even then there would scarcely be enough blushes to go round. It has not been to the public of Hongkong the painful shock and surprise that it seems to have been to Mr. MAY; and we do not hear of Englishmen or Britons in this Colony rushing to the various Consulates to register changes in their nationality. The corruption unearthed by the Commission had not been very deeply hidden before; its existence was more than suspected; any Hongkong lawyer with Chinese clients could, if he would, have given the Commission a great many pointers; and the prosecutions prior to the publication this week of the Report gave rise to all the discussion on that subject that there is likely to be. It was intelligently observed by the average commentator that blame attached less to the men who had thus forsaken a high standard of integrity than to the system or no-system which made such things possible and easy. That view of the matter, broadly, we endorse; and the conclusions of the Commission enable us to maintain that standpoint. It must seem to many observers a little suspicious that in South Africa as well as in Hongkong such emphasis should be laid on the statement that corruption is practically confined to subordinates. It looks as if "the national honour" has to be whitewashed in sections. Reforms of system, however, would help us to dispense with this unsatisfactory way of treating the tarnished name. As Dr. PEARSE would say, it may make the place look cleaner, but it doesn't kill the germs. One of these days the methods of the London County Council staff will be exposed, and then the peccadilloes of the Hongkong Sanitary Board's servants will pale into comparative insignificance. If two shovels are required there, two dozen are ordered, two used, a dozen disposed of by subordinate employees, and the remaining (say) ten taken down Thames one day and dumped into the sea. If you happen to know the dumper, you can get lots of good things very cheap. This has been going on for years, or had been up to half a dozen years ago, and we have seen no notice of any change yet, except that the public was tired of the Council's "extravagance." There is little doubt that this sort of thing goes on wherever, as at Hongkong, public money is spent, as the Commission now tells us, without businesslike checks and supervision. It is useless, when the evil becomes too glaring to ignore, to weep about the tarnishing of the national honour. National fiddlesticks. The thing to do is to set about revising the system, or initiating methods that will reduce the temptations and mitigate the jeopardy of the Englishman's good name. This the members of the Commission, in their report, which we now feel entitled to describe as a monument of patient study and thoroughness, have essayed to do; and though we are not prepared yet to endorse all their suggestions, we regret very much to learn that their recommendations are

being viewed with hostility to begin with, by the very officials who ought to be most anxious to help. When our readers have been put in possession of the complete report, as well as of Mr. SHELTON HOOPER's excellent historical review of Sanitary Administration, and some select testimony like the eminently sensible memorandum of the Hon. Mr. E. OSBORNE we must take the proposals and suggestions of the Commissioners in detail. At present the cake is too big to assimilate properly; it has to be treated Jack-Horner-wise. It is absolutely safe to say at once that the Commissioners leave no room for doubt of the need for a system that will emancipate the Colony from the autoocraticisms, and fads, and wayward ways of officialdom. What little franchise the colonists have been given in the past has been sapped and undermined, and now is the time, with this Report as a weapon, to get matters re-adjusted. After all, officials are public servants, although we, and they, are apt to forget this in Hongkong.

CONGO POLITICS.

(Daily Press 20th May.)

KING LEOPOLD of Belgium is not a monarch the record of whose doughty acts will fill any considerable space in history. This is, of course, no fault of KING LEOPOLD himself, nor does it cast any reflection on his personal prowess; he being as King of Belgium as incapable of levying war as the Archbishop of Canterbury himself. Still if, as executive King of Belgium, and Grand Pensionary of Europe, he be thus excluded from inaugurating any armed contest on European ground, in his private capacity as Sovereign of the Congo Free State he may yet have the historic glory of having permanently set back the boundaries of British Empire. But if not permitted by circumstances to assume the rôle of an Alexander, and carve out with his sword kingdoms, he has had abundant opportunities in both his regal and private capacities of advancing the interests of Belgium and of KING LEOPOLD by venturesome mercantile transactions. Even in mediæval days, Belgium, was celebrated for the mercantile enterprise of her people and the extent of her external trade, and in these modern times, and under the congenial guidance of KING LEOPOLD, the port of Antwerp has risen to the first rank amongst the great mercantile emporiums of Europe. Under such auspices it was but natural that KING LEOPOLD should follow the lead of his subjects, and that the mercantile instinct should largely flourish alongside his more conspicuous displays of regal magnificence. For some thirty years he has been the practically uncontrolled monarch of the Congo Free State, presiding over an autocracy as unchallenged as that of the Tsar himself. The products of the country have been in increasing demand during the greater portion of this term so that there has been every inducement to a monarch, who had the mercantile habit actually forced upon him, of seeking to make the most out of the peculiar situation. We have seen something even in far distant China of the financial and mercantile enterprise of the Belgians, so that we can the easier comprehend how absorbing the pursuit proved in the comparatively little known and hitherto unexploited realms along the Congo. Professedly the object of the International Association which conferred the rule of the state upon KING LEOPOLD was to encourage the commercial growth of the huge and hitherto neglected territory watered by the Congo River; so that

in impressing on his officials the necessity of increasing the exports to Europe the King was only following out the behests of his commission; and looking at the affair from this point of view, which was probably the only one from which it had ever been presented to him, KING LEOPOLD came to understand that so long as the European world was afforded facilities for trading at the entrance of the country, so long it had no ground of complaint, the internal regulations of the country being matters of detail expressly left to the judgment of the sovereign. Unfortunately, some hundred or so British missionaries, with what KING LEOPOLD doubtless considered their usual objectionable habits of ignorant curiosity about things in which they were nowise concerned, went spying about the country and volunteering advice. More than this, they proved themselves deaf to the hints given them by the administrators of the Government, and, not content with this, proceeded to publish what those officials who had the responsibility of maintaining order could not but look upon as ignorant libels. This was proved through the means of an investigation undertaken by these maligned officials, who in their own eyes, and in those of their monarch emerged victoriously out of the ordeal. Not content the missionaries, with one or two discontented traders, actually pressed their complaints on the British Government, and that body used its influence with the King to have the affair investigated. Always willing to listen to well founded complaints, KING LEOPOLD did appoint a commission, and this commission found out that irregularities had indeed occurred, but the Government of the Congo did not think it necessary to publish all this in detail, and KING LEOPOLD said that the whole affair had been exaggerated. In his eyes this was, under the circumstances, quite sufficient, as no damage had been done to the missionaries, and KING LEOPOLD could not be made responsible, his appointment containing no reserve. This reasonable explanation was curiously considered insufficient by the British Government, and more unreasonably still the United States seemed disposed to be dissatisfied with it. It was evident that something must be done to prevent like outrages in future.

Of late years a so-called scientific method of demarking boundaries had sprung into fashion, and the quidnuncs instead of defining the boundary on the spot had contented themselves with saying it was to be formed by a certain parallel or meridian. It can hardly be said that such boundaries are in every respect unobjectionable, especially in the case of meridians, the fixing of a meridian being one of the most difficult problems in geodesy. In this case the thirtieth meridian had for some hundred odd miles been made the boundary between Uganda and the Free State, and the line had been actually marked. A few years later it turned out that the surveyors had made a mistake, and that the Kunsoro Mountain, and a part of the Albert Edward Nyanza, had been through the mistake included in British territory! Nothing was said of it at the time the Kunsoro Mountain, though interesting as one of the clasps of one of the three great volcanic girdles of the earth, being otherwise valueless, and a few miles of seashore more or less in the Albert Edward Nyanza, not seriously affecting the naval strength of either Great Britain or Belgium. But of course vengeance is sweet, and the British Government had seriously impugned the sovereign right of its neighbour to

wall up his own Niggers! It was a distinct case for punishment and as nothing more condign offered it has been taken advantage of, and England is made to feel the full enormity of her offence. Now of course, ridiculous as is the immediate issue, there is something here more than at first sight meets the eye. A little strip less than two degrees in latitude, just south of this territory, is all that separates the northern extremity of Lake Tanganyika from British territory in Uganda. Lake Tanganyika is fully accessible from Rhodesia, and indeed the Central African Railway is already carried beyond Victoria Falls, and in a few months could be carried right up to the lake. It would be then in the power of KING LEOPOLD to materially advance the interests of the projected Cape to Cairo Line by giving it passage through the Free State. Some years ago the late Lord KIMBERLEY, then Foreign Minister, had practically made an arrangement with the Free State to cede a strip of territory here between the State and the German territory of North-East Africa, but owing to the active hostility of the German Government of the day, KING LEOPOLD was induced to withdraw his consent. The reclaiming of the once allotted territory, though a matter of absolutely no value whatever, is thus only a renewed instance of the same unfriendly feeling, with no object except to hamper as far as possible the carrying through of the continuous line. Under the present relations between England and KING LEOPOLD with relation to the charges of ill-treatment of the natives, and between England and Germany with regard to the construction of the lines by the latter to Bagdad, it is evident that the game of international obstruction is being carried on with unabated vigour; and all this in spite of the so-called peaceful influence of the Hague. A stronger proof of its failure as a peace promoter could hardly be pointed out.

THE COMMISSION (II).

(*Daily Press*, 21st May.)

The people have been talking: talking about "the Commission" and such bits of its Report as they have managed to assimilate. We have been listening, and as we fear, there is as yet no solid public opinion to take hold of. There are opinions, piculs of them; but we cannot trace the proverbial "concensus." It does not exist yet. No one seems able to surround that voluminous Report to take it as a whole. It cannot be so taken, perhaps, for it is more than a whole; it is several wholes. Hence, as we have said, in office and market, at tiffin tables and on bathing launches, there are many opinions being published but no public opinion. The Hongkong public has the reputation of being apathetic in such matters. We doubt whether it is apathy so much as a sort of utilitarian spirit, a *cui bono* attitude towards Sphynxian problems, a reluctance to expend effort to no immediately visible result. That is natural here, where agitations, petitions, plebiscites, and Reports of Commissions have come to be regarded as so many instances of kicking against the pricks. In a Crown Colony, with a bureaucratic Government, there is a stonewall of officialdom against which waves of popular feeling beat in vain. In such topsy-turvy administrations the servants are the masters, and the ratepayers imagine vain things. As we remarked a few lines back, there are piculs of opinions. "Look at Singapore," one says. "They have a Municipal Council there, and far more Chinese electors than we have." But

we listen in vain for any comparison of the Singapore Municipal Council with the Hongkong Sanitary Board that elicits any distinction amounting to a difference. The personal equation must be made here, and it is not easy to make. A good second to ecclesiastical tyranny is the tyranny *esculapian*, which the Commissioners suggest has had to be suffered here, which the Chinese publicists tell us has caused much trouble and annoyance and fear to their poorer compatriots, and against which our gorge rises. The poor Chinese tenants who are being made clean by Act of Parliament, have just had a further insult and intrusion on their privacy. For no better reason than as a political object lesson, the OFFICER ADMINISTERING THE GOVERNMENT has invited the public to witness the proceedings. It is no great feat to contemplate the indignities of others with an equable countenance; were we able to boast Chinese descent, our blood would boil at this official callousness to our manhood and self-respect, and we would write strong words about it. As it is, we merely pass the opinion that it is an impertinence for which any British Government should blush, completely out-Swettenhaming any blunder attributed to Sir ALEXANDER of that ilk. We should think the Chinese would be less annoyed by the cremation of their "dumped" corpses than by this; but the Government, "as at present advised," caresses native susceptibilities with one hand and assaults them with the other. In a Colony so full of anomalies as is Hongkong, however, such inconsistencies are not worth a grumble. The Sanitary Board itself is an anomaly. It has been the "something to play with" of a people instinctively attached to self-government, the sop thrown to the democratic Cerberus by an autocratic bureaucracy—and if the Commissioners be right in suggesting that it has gone to the dogs, the simile can pass. We may even stretch it, and give names to the three heads, the landlords, the rent-payers and the Chinese. One obviously rough and ready solution, pending a deliberate discussion of the reform scheme of the Commissioners and the objections thereto of the permanent officials, is to impatiently throw overboard our pinchbeck franchise, and abolish the Sanitary Board altogether. "Oh Pott, if you'd known how false she'd have grown, when you heard the marriage bells tinkle, you'd have done then, I trow, what you cannot help now, and handed her over to W * * * * *." What rhymes to tinkle? The lady herself popped in and suggested Winkle. Let Winkle be a Health Department, and let us resign all pretensions to managing our own affairs, is one of the offhand opinions picked out of the many recently uttered. A minute by the DIRECTOR OF PUBLIC WORKS, which will be published in due course, shows that Mr. WINKLE is quite willing.

COLONIAL APPEAL CASES.

(*Daily Press*, May 22nd.)

The question of appeals from decisions in the Colonial Courts to the Privy Council, which was among the subjects at the Colonial Conference, is one upon which there is room for a diversity of opinion; but the view which is likely to be taken by those practically conversant with the existing system, is certainly in favour of some more convenient mode being adopted for the ultimate decision of such cases. On the one side, it may fairly be urged that it is desirable that the highest judicial tribunals should be open to all British subjects, no matter in

what part of the Empire they may be domiciled, and that it is a serious thing to deprive them of the inherent right of every British subject to appeal to the Crown. These well established views however, like most merely abstract principles, have to be modified in accordance with changes in the circumstances to which they have to be applied. In point of fact they have already been modified to the extent of a value limit being placed upon the cases which, in various Colonies, are appealable to the Privy Council, without special leave. But, even with this restriction, it has been found that the number of cases that have to be dealt with is of a burdensome character, and that an appeal usually means an amount of delay which is a serious inconvenience to the parties and which detracts greatly from the benefits of being able to appeal from the decision of the highest local Courts.

In some of the Colonies the question has been mooted whether a final tribunal of appeal could not be established on the spot; and in some instances there would seem to be little doubt that the step would be advantageous. It could of course only be adopted in Colonies of some magnitude such as Australia, Canada, and South Africa, where the number of judges is sufficient to form a Bench which would be sufficiently strong to undertake work of so much importance efficiently and to the satisfaction of the general public. Where however, this is the case, a change in the direction indicated would certainly seem to be desirable and would be generally welcomed. It would ease the Judicial Committee of the Privy Council of a great deal of work which is now felt to be oppressive. It would save much time to litigants, and, speaking generally, would no doubt result in final decisions which would commend themselves to the Colonies concerned, as being in accordance with the decisions of their ordinary Courts, and with precedents with which the people in the respective places had become familiar. No doubt such a system would tend at times to some modifications in regard to established principles, where there might be room for different interpretations of them; but this would not in practice prove any serious inconvenience. The same thing occurs in respect to the existing Colonial Supreme Court whose decisions are taken as precedent in future cases in the respective Colonies—though possibly slightly differing from what might have been the decision in an English Court upon some moot point. Absolute uniformity, except upon fundamental principles, cannot be secured all over the Empire, however attractive upon abstract considerations this may appear.

It might probably be advisable as a means of preventing any serious mistake that arrangements should be made where the interests involved are of a large character, that appeal should still be allowed to the Privy Council, especially in any case where, as may occasionally happen, home interests as well as Colonial interests are involved. It would not however, be difficult to frame a rule to meet this contingency, while still leaving the final decision of any cases that would ordinarily arise to a local Appeal Court.

With respect to Crown Colonies the matter stands, no doubt, upon a different footing. Ordinarily there are not sufficient Judges in such Colonies to make it possible to establish a Tribunal which could act as an Appeal Court from the decisions of the Supreme Court of the Colony, though it has been suggested that something might be done in this direction by an arrangement

for the Chief Justices of Crown Colonies near to one another meeting periodically as an Appeal Court. The idea was thrown out some years ago that the Chief Judges of Hongkong, Singapore, and of the Supreme Court at Shanghai might meet periodically in this manner to hear and determine cases on appeal from either of those Courts. Nothing came of the suggestions and probably it was found there were some reasons at the time against such an arrangement—one obvious one being that in all such cases one of the Judges on the Appeal Court would have been a Judge who had already dealt with the case. As the matter of appeals generally will, no doubt, be carefully considered again by the Home Government, it is not impossible that the above-named suggestion may be revived, and if a sufficiently strong Bench could be secured in some such manner, it would be a great advantage in saving of time and expense.

EUROPEAN RELATIONS.

(*Daily Press*, 23rd May).

Referring to the Franco-Japanese Agreement, "the German Press is dissatisfied, and avers that it is attributable to the British policy to isolate Germany." Also, "the German Government regards the Franco-Japanese Agreement with calmness, as it will not injure German interests, but will rather facilitate a Franco-German rapprochement." Such are the contents of two equally authentic telegrams from Europe, both received the same day, and both published in the same paper in the one issue. The one comes from London, the other from Paris, and there is no indication that either sender wished to falsify the news that he had before him, yet one seems directly contrary to the other. The riddle is apparently as irresolvable as that propounded by the Sphinx to the unfortunate Thebans, and equally on its correct answer seems to depend the continued peace of Europe. Does there lie behind it some such dark mystery as hung over the unconscious crime of Oedipus? It is ominous that the question with all its dark suggestions and possibilities should have arisen when Europe was within a month of celebrating its presumed Parliament of Peace, and that England for all her peace loving Premier should have been dragged into the abyss of strife. With Germany's present inordinate desire to entangle herself in every petty quarrel from Guatemala to Morocco it was perhaps hardly to be expected that she would pass over so promising a field of operations as a possible understanding between France and Japan. There were many easily comprehensible reasons why such an understanding should recommend itself to both Japan and France. With regard to the latter, busy tongues have been free with their suggestions that after having got Russia, for the present at least, out of the way, Japan in her inordinate ambition was plotting the conquest of the Philippines, or in case of this proving too hard a nut, of descending upon Indo-China, and expelling the French from their snug colony. It was clearly in the interest of France to have such rumours at once checked; as it was plainly also of importance to Japan, in the accomplishment of her great object of commercial advancement in the Pacific, to excite as little hostile animosity as possible. There were thus very evident and palpable reasons to induce both Japan and France, the two nations in the world perhaps with the fewest conflicting interests, and whose commercial interests are above others

mutually supplementary, to take advantage of the first opening that presented itself to get rid of any possible cause of friction in the near future; and so avoid those suspicions which, without a thorough comprehension by each of the other's general policy, are almost certain to lead to unseemly bickerings. Unless for the mere object of stirring up general unpleasantness, it is not easy to see how on any broad principle of public polity a peaceful explanation between two states so situated as France and Japan could in any way have clashed with Germany's aspirations. The understanding is not even defensive, far less offensive, and makes no mention of any third power, nor gives a hint that it is intended to place either France or Japan at cross purposes, politically or commercially, with any third nation. There is no doubt that Germany is markedly sensitive to the idea of being isolated, and, as often happens in such cases, this morbid feeling leads her to conceive that every friendly advance on the part of other powers is intended as a slight on herself. His bringing up and his predilections have made King EDWARD VII. a more especially genial monarch, one who delights in the society of his fellows and one who in any position of life would be personally popular. That being so that he should take advantage of it to enjoy unrestrained intercourse with his equals in station is but natural. A monarch has but few opportunities of mixing in social life; yet the ease of travel in modern times has introduced the possibility. Queen VICTORIA may almost be said to have commenced the practice in visiting her neighbour King Louis PHILIPPE, but the succeeding generation has seen the practice much extended with marked advantage to the international politics of Europe. The necessarily frigid etiquette of courts has never been conducive to sociability; and many of the worst wars in history have been the result of simple misunderstandings, which a few friendly words would at once have dissipated. In following the private bent of his own feelings, and improving his personal acquaintance with his fellow rulers, there is then no reason to accuse King EDWARD of any dark desire to reflect on his less congenial fellow sovereigns. The KING OF SPAIN, for instance, is a young monarch, like King EDWARD himself eminently fond of social intercourse; the old-world haughty etiquette of his court has at all times tended to make the Sovereigns of Spain reserved and uncongenial; and history shows that since Spain became a Monarchy moroseness and narrow-mindedness have been the marked characteristics of her Sovereigns, and Europe has had to pay for this in torrents of blood. It is to the honour of King ALFONSO that he has been the first to break through this girdle of exclusiveness, and without lowering his dignity as sovereign, found himself able to enter into intimate social relations with his fellow sovereigns. Even here the old buckram etiquette has pursued him, but improved circumstances of travel have come to his assistance: the hard and fast rules that beset a King of Spain in his own Palace, fortunately, do not prevail on board ship; and in our modern days steamers are fitted up with all the dignity and luxury of palaces, so that for once in a while even a monarch of Spain can unbend. There is here, it may be added, no need to act the Sphinx on Mount Kithaeron; for once a King may unbend himself to the infinite advantage of not only his own health and comfort, but to the benefit of his subjects, and the enhanced

peace and prosperity of his neighbours all round. These are things that the KAISER and his ministers have as yet failed to grasp, but the remedy is within their own hands. If instead of propounding irresolvable riddles, and fretting with indignation at the failure of the neighbours to expound them, Germany,—Emperor and Ministers—would for once adopt the simpler and more generous task of bending a little to the ordinary amenities of social life,—for social life, as King EDWARD has shown, is quite possible between nations as between individuals,—she would find that most of the mountains which her present myopia raises before her, would return to their ordinary and proper condition of mere mole-hills, if they did not indeed actually fade out of sight. Neither King EDWARD nor Sir HENRY CAMPBELL-BANNERMAN has any deep-laid scheme of policy to conceal, and certainly the last idea that would enter the mind of either would be to harbour any scheme so entirely at variance with their lives. Without passing any judgment on the latter's wisdom or abilities, every Englishman, no matter what may be his political predilections, tory, unionist, or radical, will at least concur in holding His Majesty's present PREMIER quite incapable of any such Machiavellian project; while King EDWARD has shown himself too sensible of his duty as constitutional Sovereign to harbour the least suspicion about the perfect propriety of his own communications.

SOME REFLECTIONS AT THE TILLER.

(*Daily Press*, 24th May.)

Not as a "nation of shopkeepers," but as a nation of sailors, we should fairly be known. This without concern for the disrespect implied by the original epithet. That was a case for the personal equation again, for discounting the contempt of a professional wholesale murderer, who could not see that the pursuit of "la gloire" on such lines was no more noble than the pursuit of honest profits of honest trade. Both ambitions were essentially egotistic, but NAPOLEON'S was the more mischievous and immoral. That it was more romantic is a postulate not to be maintained. Trade has its history, "its victories no less renowned", and British trade can never be dissociated from seafaring. Only a seafaring folk could be so strenuously resistant to Channel Tunnel projects; the sentiment for salt water was probably a dominant factor in that antipathy. Mr. FROUDE's literary complaint that the magic of our sea and shipping has not hitherto adequately inspired our poets may have prompted W. CLARK RUSSELL to the fine effort published in the *Monthly Review* for April. It is rather untimely, considering the present intimacy between the English EDWARD and the Spanish ALFONSO, and from the point of view of our remarks yesterday, it can be objected to. But whereas yesterday we were politically minded, to-day our concern is with letters, and we can applaud "The Plymouth Buccaneers" as a foretaste of a harvest that ought to be reaped.

"Now pitch a shot and try the range: we're closing him amain.
He answers, and the ill-sped ball squirts up the yeast abreast.
Now luff and ply him fierce as hail and thick as thunder rain.
His flag droops from its peak, my boys!
Its eloquence is weak, my joys!
Is weak—is gone! O goodly shot! the youngest and the best!"

And now he rounds in foaming wrath to bring his guns to bear.
So! Keep your luff, O courteous Don, and hold it, if you dare!
You're big, we're small: we're short, you're tall; you'll vex us not by sneers,
Our King is not a Spiniard, and we're Plymouth Buccaneers!"
But the whole poem, from which we have selected a stanza, is as bloodthirsty as it is spirited. These episodes of cannon and cutlass, as also BYRON's treatment of a shipwreck, do not introduce us to the real sea, the normal, noumenal sea, nor acquaint us with that "mystic spell, which none but sailors know or feel." What FROUD hoped for, and we would fain see, is some Odyssey in English that will contain the whole "lastingness" of the sea, its sense of eternal unchange, as men at the tiller and the sheet absorb it. Not your racer and cup chaser, with his talk of measured sail area; he is as new as the century, and the sea gives him up as the Leviathan gave up Jonah. The junkman scudding past Waglan light, with the far-away look in his eyes, as he squats, ruminative, on the high poop,—he knows. The mournful creak of cordage, the brine hissing about her spurning foot, spoke to him just so when CONFUCIUS was chaffing his disciples, and when SOLOMON was buying foreign curios. Then, as now, just as if the intervening centuries had never been, the little seabirds dived, and flew, and dived again. Yet there are people who embark on Hongkong's beautiful waters who imagine that it is a matter of importance that they should be back in time for dinner. Ursa Major repeating for the n-th time his slow somersault is of less importance than that they should gorge various dishes in customary surroundings and dress. Nevertheless the man who is content to gnaw his crust humbly in the presence of the wonders of the deep, he acquires the true perspective, and when he returns to shore, he has that within his soul that from many a blunder frees, and foolish notion. To speak and write of such things, however, is to risk banality; these mysteries await their epic, their great singer.

THE COMMISSION (III.)

(*Daily Press* 25th May.)

Now that our readers have had the full text of the Report of the Commission appointed to investigate Sanitary Law Administration in Hongkong, and can study in this issue the admirable historical vignette prepared by one of the Commissioners, they are in a better position to consider the merits or demerits of the recommendations resulting from that investigation. It is to be admitted to begin with that the Commission has discovered "an entire absence of system" [para 324], and that this official chaos, as we pointed out in our preliminary observations, is really responsible for all the evils enumerated. This establishes the argument that a change is necessary, and there remains only to consider what sort of change. The Commissioners recommend that there be two "entirely separate" departments. In theory the Public Works Department and the Sanitary Board have been separate, but there has been a clashing of their business in practice. The P. W. D. under the new scheme of the Commissioners would confine its attention to water supply, public roads, sewers, etc., while a "Sanitary and Building Department" would have entire control of all Sanitary affairs, nuisances, etc., and the construction or alteration of buildings. Even a layman would define the business indicated by the italicised words

as being a Sanitary or Municipal Board's concern, rather than as Public Works; but the Hon. Mr. F. H. MAY disagrees in *toto*. His reasons, barring that he is an official, are a little extraordinary. He says in a Minute that "an organisation composed of four co-equal heads of departments working under a Board of six busy members of the Community and four busy officials, all of whom have their time already fully occupied, and who meet once a fortnight for the transaction of business, is one that, judged by the standard of common sense, is foredoomed to failure." We fear it will be answered that it is not common sense but official prejudice that can thus easily discount the value of work done by "busy members of the community." There is a plain implication that men with private business or profession can accomplish no really useful public work, a postulate which is made ridiculous by the history of the Colony. Why was the Legislative Council not foredoomed to failure, judging by Mr. MAY's standard of commonsense? There may be better arguments against the change; let us seek for them in the Minute by the DIRECTOR OF PUBLIC WORKS. Most of it is an official defence of his own Department by Mr. CHATHAM, but on the new scheme he has this to say:

"They propose that the Sanitary Board should be constituted the Building Authority with an Executive Engineer as the chief executive officer for performing the duties coming within the scope of the Building Authority. To carry out the important duties devolving upon him, the executive officer must be given higher rank than that of an Executive Engineer and must be approximately on an equal footing with the Director of Public Works. The Board cannot possibly exercise any control in technical matters and their chief executive officer must have such a status as will enable him to do so."

What is this talk of 'higher rank' and 'equal footing'? What can it matter, except to Mr. Chatham? Why should not the Sanitary Board have an expert officer as great as he? We presume that would be the ambition of the new Department, to get a man as good. Mr. CHATHAM goes on to argue that as most building operations interfere with roads and sewers, there would still be clashing; they would still have to call him in. Then again, when schemes involving resumption were afloat, the Sanitary Board would learn valuable secrets at present locked in his own bosom. These things are regular incidents of administration everywhere; municipal authorities pass buildings that touch County roads, and private buildings that connect with public sewers. That at Hongkong, however, would lead to very little clashing, and certainly it would involve less entanglements and delays than exist at present, which reduction is just what the Commissioners aim at. Mr. CHATHAM has his own proposal, which, as we have previously hinted, threatens the further belittling of the Sanitary Board. He says:

The proposal I would submit instead of it is that the administration of practically the whole of Part III of the Ordinance should be vested in the Director of Public Works, the present reference of plans to the Medical Officer of Health, the issue of certificates by that officer and the supervision of certain items, such as concreting ground surfaces, &c. by the officers of the Board, being abolished. All powers of modification, except those of a technical nature, should be vested in a small Committee, consisting, say, of 5 members, including the Director of Public Works who should be Chairman. Reference to the Governor-in-Council should be limited to appeals from the decisions of this Committee, members of the Committee having the right of appeal in cases where a decision is the result of a majority vote. Such an arrangement would greatly

simplify the present procedure. All plans in conformity with the Ordinance would be passed by the Director of Public Works and those in respect of which any modification was required would be considered by the Committee which would meet regularly, say, once a week. It would be the duty of the Director of Public Works to notify the Medical Officer of Health of all modifications granted by the Committee. All matters affecting cubicles and cocklofts should be placed under the control of the Sanitary Board and should not come before the Building Authority in any way. The Sanitary Inspectors should continue to inspect all buildings and should report to the Medical Officer of Health all infractions of the provisions of the Ordinance, which may come to their notice. All such reports, relating to matters other than cubicles and cocklofts, should be passed by the Medical Officer of Health to the Building Authority for the necessary action. Such is my proposal in outline, and I believe it would be more likely to secure the objects of the Commission than the scheme put forward by them.

The scheme of the Commissioners, as unfolded in the Report, is equally simple. We need not quote it again. It provides for a proper system and organization of business allocating responsibility, and keeping a firm central grip that is at present lacking. It would destroy the anomaly of permitting the Board's servants to dictate to the Board, and it would save the broth from the spoiling hands of too many cooks. It arranges for "a proper systematizing of the duties of the various members of the staff", and work shirking is as dishonest as squeeze pidgin. From paragraph 357 onwards, there are many practical and sensible details suggested, to which we can do no more here than re-direct the attention of our readers. The great question is whether the Hongkong public is going to let the work of this costly Commission be laid on the shelf. It is clear that if the OFFICER ADMINISTERING THE GOVERNMENT has his way, and other officials, it will get short shrift. They approach it in a spirit of hostility. They have looked for and found weak points, but they have not as diligently considered its merits. There is a new Governor coming out shortly. It is for the public to show its concern, and to continue showing its concern, until the scheme evolved for its benefit receives at least fair consideration. We suggested that the apparent apathy and lack of public spirit with which our community is sometimes twitted was due to hopelessness, to despair of ever influencing the bureaucracy that rules us. There need be no such hopelessness. A united front, a unanimous claim for some reform, is bound to have its effect. But rights, like favours, are not got from officialdom without asking. We must ask, and ask often. Where are the letters to the newspapers in this matter, the unofficial plebiscite, the petition to the new Governor? Such things have been ignored sometimes in the past, but not always. Mr. SHELTON HOOPER's narrative shows that public agitation has been effective before. The public has usually found a voice in welcoming or farewelling governors. Is that merely a mobbish fancy for pageants and ceremonies? We hope not; we trust not; and we expect to hear that voice raised now. Most of us are men accustomed to the privileges of citizenship; it is a pity if life in Hongkong is going to make us forget them altogether.

A private letter to Shanghai states that H. E. Ts'en Ch'un-hsien [Shum] has made himself so unpopular with the Princes and high Ministers in Peking that he is avoided by them as much as possible. In consequence of this Shum is said to be seriously thinking of again asking for a provincial appointment.

HONGKONG LEGISLATIVE COUNCIL.

A meeting of the Hongkong Legislative Council was held on the 23rd instant in the Council Chamber.

PRESENT:

HIS EXCELLENCE THE OFFICER ADMINISTERING THE GOVERNMENT, Hon. Mr. F. H. MAY, C.M.G.

MAJOR-GENERAL R. G. BROADWOOD, C.B., A.C.D.

Hon. Mr. A. M. THOMSON (Colonial Secretary).

Hon. Mr. H. H. J. GOMPERTZ (Attorney-General).

Hon. Mr. C. MCL. MESSEY (Colonial Treasurer).

Hon. Mr. W. CHATHAM (Director of Public Works).

Hon. Mr. A. W. BREWIN (Registrar-General).

Hon. Mr. F. J. BADELEY (Captain-Superintendent of Police).

Hon. Dr. HO KAI, M.B., C.M., C.M.G.

Hon. Mr. WEI YUK.

Hon. Mr. H. E. FOLLOCK, K.C.

Hon. Mr. E. A. HEWETT.

Hon. Mr. W. OSBORNE.

Hon. Mr. H. KESWICK.

Mr. A. G. M. FLETCHER (Clerk of Councils).

MINUTES.

The minutes of the previous meeting were read, and confirmed.

NEW MEMBERS.

Major-General R. G. Broadwood and Mr. H. Keswick took the oath and assumed their seats as members of the Council.

FINANCE.

The COLONIAL SECRETARY, by command of His Excellency the Officer Administering the Government, laid on the table the report of the proceedings of the Finance Committee meeting, held on the 16th May, 1907, and moved its adoption.

The COLONIAL TREASURER seconded, and the motion was agreed to.

PAPERS.

The COLONIAL SECRETARY, by command of His Excellency the Officer Administering the Government, laid on the table the report of the Superintendent of Prisons for the year 1906, and a statement showing the estimate of expenditure on the Kowloon-Canton Railway up to December, 1907.

The DIRECTOR OF PUBLIC WORKS, by command of His Excellency the Officer Administering the Government, laid on the table a report of the proceedings of the Public Works Committee, No. 1.

THE KOWLOON-CANTON RAILWAY.

The COLONIAL SECRETARY—I beg to move the following resolution: "It is hereby resolved that a sum of two million four hundred and thirty-eight thousand dollars (\$2,438,000) be advanced out of funds in the custody of the Government for the purposes of construction of the Kowloon-Canton Railway (British section) during the year 1907." It is possible, Sir, that members of Council may wish to ask questions about this. I suggest that the resolution be not put to the meeting to-day, but that it should be referred to the Finance Committee.

The COLONIAL TREASURER seconded.

His EXCELLENCE—I think that would be the most convenient method to adopt, gentlemen.

Members agreed, and the motion was carried.

VALIDITY OF A JUDGE'S DECISIONS.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to remove doubts as to the validity of the proceedings of the Supreme Court of this Colony during the time that Alfred Gascoyne Wise, Esquire, held the office of Puisne Judge of such Court from the 25th day of June 1902 down to the present time.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The Council then went into committee to consider the Bill seriatim.

When the Council resumed,

His EXCELLENCE reported that the Bill had passed through committee with several verbal alterations.

BILLS OF EXCHANGE ORDINANCE.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled an Ordinance to amend the Bills of Exchange Ordinance, 1885.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The Council then went into Committee to consider the Bill seriatim.

When the Council resumed,

The ATTORNEY-GENERAL moved that the Bill be referred to the Law Committee.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

MARRIED WOMEN'S PROPERTY ORDINANCE.

The ATTORNEY-GENERAL moved the second reading of An Ordinance to amend the Married Women's Property Ordinance, 1906.

The COLONIAL SECRETARY seconded, and the motion was agreed to.

The Council then resolved itself into Committee to consider the Bill seriatim.

When the Council resumed,

His Excellency reported that the Bill had passed through Committee with minor alterations.

PROBATES' ORDINANCE AMENDMENT.

The ATTORNEY-GENERAL moved the second reading of the Bill entitled An Ordinance to amend the Probates' Ordinance, 1887.

The COLONIAL SECRETARY seconded.

The Council went into committee to consider the Bill seriatim.

When the Council resumed,

The ATTORNEY-GENERAL moved that the Bill be read a third time.

The COLONIAL SECRETARY seconded.

There being no objections, the Bill was read a third time, and became law.

HONGKONG COLLEGE OF MEDICINE.

The Hon. Dr. HO KAI moved the second reading of the Bill entitled An Ordinance for the incorporation of the Hongkong College of Medicine. In doing so he said:—I may be permitted to say a few words showing the objects and reasons for this bill. The Hongkong College of Medicine, as is probably known to all hon. members, was established some twenty years ago, being first founded in the year 1887. It has been carried on by a number of professional men, recruited mostly from the Civil Service, from the Army and the Navy, and from the professional gentlemen practicing the medical profession in this Colony. From the very beginning, besides \$1,000 which had been very generously granted to us by the committee of the Tung Wa Hospital, the chairman of which at the time was my hon. colleague opposite, we had no funds at all at the disposal of the College, and with this \$1,000 to begin with we had to purchase all the necessary books, and models, and diagrams, and specimens that we required. For fifteen years we had only to look to fees we received from students to support the institution and to meet its various expenses. All the lecturers gave their services gratis, voluntarily and honourably.

Some five or six years ago the Government were very generous in coming to our aid with an annual amount of \$2,500, and since then a gentleman by the name of Tung Chau-kai, who died at the end of last year, very generously endowed us with a bequest of something like \$10,000 to meet the expenses of the College. And it is to enable the College to acquire this property, and to be able to manage now the fund is placed under its control, that this Ordinance is necessary. I may also mention that in a short time we hope, by some Chinese merchants, to be able to get the College built upon the land which has been very graciously reserved for us by the Government. And I would hope also that when the College is built there will be an endowment fund which will be contributed by wealthy merchants of Hongkong, both European and Chinese. In that case we shall then, by this Ordinance, be enabled to receive the property. These are the objects and reasons for this Ordinance, and, I am sure, the hon. members of this Council all will be glad to see the College, which is a useful institution in this Colony now about to be established and placed on a permanent basis.

Hon. Mr. WEI YUK seconded the motion.

His EXCELLENCE—I should like to take this opportunity of saying that in my opinion there is perhaps no more useful institution in the Colony than this Hongkong College of Medicine. I have the honour to be a rector of the College, and I wish I were not for the moment, because then I should feel quite free to eulogise the work that has already been done and is being done by the College, and by its

licentiates in the Colony. I think that, thanks are due to the gentlemen who devoted a great deal of their valuable time in the past to the advancement of the object for which this College is founded, and those gentlemen who continue to do so, even although at the present time some of them receive a very small remuneration, as the hon. gentleman who moved the second reading mentioned. I would like to say, at the same time, that I don't think anyone has done more for the College than has the mover of the present motion (applause).

The motion was agreed to.

Council then resolved itself into a committee of the whole Council, and considered the bill, clause by clause.

On resuming, His EXCELLENCE reported that the Bill had passed through committee without amendment.

The bill was then read a third time, passed, and became law.

His EXCELLENCE—Council stands adjourned until this day week.

FINANCE COMMITTEE.

A meeting of the Finance Committee was then held, the Colonial Secretary presiding.

The COLONIAL SECRETARY—About the Appropriation Bill for 1906, I am glad to say there is only one item instead of many which seems rather large. The statement of expenditure during the year 1906 on page 29 will show the explanations.

Hon. Mr. FOLLOCK—What is the loss on subsidiary coins?

The COLONIAL SECRETARY—It does not say here, but I think it is something like \$390,000.

The Bill was passed.

The COLONIAL SECRETARY—The next matter before the Committee is the resolution to expend \$2,438,000 for the construction of the railway. You will see from the statement laid before the Council the amount spent last year, and the amount estimated for the present year.

Hon. Mr. FOLLOCK—The total brought forward is the amount expended in 1906?

The COLONIAL SECRETARY—The total amount spent in 1906.

Hon. Mr. FOLLOCK—I cannot make the totals quite agree.

The COLONIAL SECRETARY—So far as I can make out from the statement, the debits must be subtracted from the first column, and the result added to the total of the third column. You will then find it is the same as the grand total.

The resolution was agreed to.

The Finance Committee then adjourned.

COMPANIES.

A. S. WATSON AND CO., LTD.

The twenty-second annual ordinary general meeting of shareholders in Messrs. A. S. Watson and Co., Ltd., was held at the offices of the Company in Alexandra Buildings on the 25th May. Mr. H. Humphreys presided, other shareholders present being Sir Paul Chater and Mr. H. P. White (Consulting committee), Mr. J. A. Tarrant (Secretary), and Messrs. D. E. Clark and E. C. Lane.

The SECRETARY read the notice convening the meeting.

The CHAIRMAN said: Gentlemen.—The report and statement of accounts having been in your hands for some days, I will, with your permission, take them as read. The total net profits for the year amount to \$102,366.03 as against \$125,408.59 for the previous year; showing a falling off of \$23,042.56. In our report last year on the working for 1905 we stated that we had benefited to some extent from the continued high rate of exchange but that business during the latter half of the year was depressed. During 1906 the rates of exchange have ruled very much higher, the average rate for 1906 being approximately 2/11, as against 1/11 for 1905; and whilst on the one hand the company has had the advantage of the increased purchasing power of the dollar, on the other, it has had to meet, or rather anticipate, the reasonable demand of the public correspondingly reducing prices. So that the benefits accruing from the high exchange are very doubtful. There has been a continued and increased depression in trade in Hongkong and throughout China

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generally, and in common with nearly every trading and industrial company we have felt this depression and to it we mainly attribute the diminished profits shown. I would also specially mention that we have suffered considerable loss through the depreciated value of subsidiary coins, and I estimate that our total loss in 1906 from this cause to be about \$15,000, as against \$6,000 in 1905. Considering all these circumstances I think the results of the year's working are not unsatisfactory. Turning to the accounts you will find under the heading of "Building improvements" that there has been an increase of \$34,131.04. Most of this increase has been incurred by additions and improvements to our business premises in Manila. These improvements were not completed at the end of the year so that there will be a further addition to this account during 1907. We expect, however, to be able to write off the whole of this expenditure in four years out of increased revenue; as besides largely increased sub-lettings the Manila branch has already benefited by increased cash sales. The extra accommodation provided for its soda water factory should also prove remunerative. Aerated water and other machinery and plant account shows additions amounting to \$20,034.16, which have been for the most part occasioned by the opening of a new factory in Shanghai and further additions to our plant at Amoy. Amongst our assets Marine Lot No. 293 appears for the first time. This lot was purchased with the approval of your Consulting Committee in November last, and the object of your General Managers is eventually to remove the Des Vœux Road soda water factory to that site, where there will be four times as much room and greater conveniences for manufacture at less cost than obtains at present. San Jacinto property, Manila, has been increased by \$6,023.60 which represents the price paid for a strip of land with buildings which almost completely shut our property off from the public road. We trust the disposition of the profits meets with your approval. Following our usual policy we have proposed to set aside \$25,000 to write off as depreciation of machinery and plant, furniture and fittings, etc. In a business like ours \$25,000.00 a year is the minimum amount, compatible with sound finance, that should be written off and I would prefer to see it larger. The business for the first four months of this year, I regret to say, shows no signs of improvement. I have no further remarks to make, but if any shareholder has any questions to ask, I shall be pleased to answer them.

Mr. LANE—I woud like to know whether the reduced volume of trade is general in all the branches, or in Hongkong in particular.

The CHAIRMAN—There has been a falling off in the volume of trade, and also in profits, at every branch except one. There has also been a slight falling off in Hongkong, and a falling off in Manila.

The CHAIRMAN then proposed the adoption of the Report and Accounts. Mr. LANE seconded, and the motion was agreed to.

Messrs. F. MAITLAND and W. H. Potts were reappointed auditors on the motion of Mr. CLARK, seconded by Mr. LANE.

The CHAIRMAN—That is all the business, gentlemen. Thank you for your attendance. Dividend warrants will be ready on Monday.

The Report of the General Managers for the year ending 31st December, 1906 was as follows:

GENTLEMEN—We beg to lay before you a Statement of the Company's business, with a Balance Sheet for the year ending the 31st December, 1906.

The Net Profits of the Company for the twelve months under review, after paying all charges, including the salary of the General Managers, providing for all bad and doubtful debts, and allowing for loss on subsidiary coins, amount to ... \$102,366.03

To which has to be added the balance brought forward from the previous year ... 7,734.94

\$110,100.97

From this there has to be deducted—
General Managers' Commission of 5 per cent. on the net profits for the year as per Article 80 of the Company's

Articles of Association	\$5,118.30	As per last account 121,627.27
Remuneration of the Consulting Committee as per Article 92	2,500.00	Amount written off for depreciation in May, 1906 15,771.78
		105,855.49
		Added during 1906 20,034.16
		125,889.65
Leaving available for appropriation	7,618.30	Steam launch Tai Yeuk Fong steam lighter Watson and cargo boat:
We paid an Interim Dividend of 4 per cent. in November last absorbing	8102,482.67	As per last account 8,059.75
We now propose to pay a further Dividend of 4 per cent. (making 8 per cent. for the year) which will absorb	36,000.00	Amount written off for depreciation in May, 1906 419.75
To write off Building Improvements, Furniture, Fittings, Utensils of Trade, Aerated Water Plant, and Machinery	25,000.00	7,610.00
To carry forward to 1907 Account	5,482.67	Added during 1906 500.58
		8,149.53
		Good debts due from Customers 277,301.63
		Sundry debtors 233,849.88
		Cash in hand 20,547.32
		Cash at bank 13,403.06
		8,452.66
		21,855.72
		Fire insurance premia unexpired 7,837.27
		Investments in public companies: North China Insurance Company, Limited (10 shares) 1,000.00
		Section E of Inland Lot No. 19 and the buildings thereon 60,000.00
		Marine Lot No. 2 C and the buildings thereon 173,917.82
		Remaining portion of Kowloon Inland Lot No. 550 and the buildings thereon 27,500.00
		San Jacinto, Land and buildings, Manila 30,780.24
		Marine Lot No. 293 17,707.00
		309,905.06
		\$1,864,660.09
		Dr. PROFIT AND LOSS.
		To balance \$110,100.97
		Cr. CONTRA.
		By balance forward from 1905 \$110,100.97
		.. Net Profit in Hongkong, China and Manila for 1906 \$7,734.94
		\$102,366.03
		\$110,100.97
		PEAK TRAMWAYS CO., LTD.
		The ordinary annual general meeting of shareholders in the Peak Tramways Co., Ltd. was held at the offices of the Company, Alexandra Buildings, on the 25th May. Mr. H. Humphreys presided, and there were also present Sir Paul Chater, Messrs. A. J. Raymond and H. Keswick (directors), J. A. Tarrant, J. M. Wong, D. E. Clark and G. Rapp.
		The notice calling the meeting having been read,
		The Chairman said:—Gentlemen, the Report and statement of account having been in your hands for some days I will, with your permission, take them as read. The only item amongst the Assets and Liabilities which calls for special reference is Permanent Way and Concession, new Line. This is made up as follows:—Concession and cost of obtaining same \$35,000.00 Leigh and Orange, preliminary survey of new line 5,000.00 Interest 3,626.29
		\$43,626.29
		The Company was unable to effect the transfer of the concession until the consent of the Governor-in-Council had been obtained, and consequently it had to pay interest on \$35,000 until date of completion of purchase (4th April 1907). Turning to the Profit and Loss Account, the only item which calls for comment is Legal Expenses \$16,718.60. Roughly about \$20,000 of this is for Legal Expenses in forming the Company and preparing Articles of Association, the balance represents the loss this Company suffered in the suit D. E. Brown and others, v. the Hongkong High Level Tramways Company Limited. We regret very much the result of this unfortunate suit which has cost both plaintiffs and defendants money, and has been unproductive of any change in all the main issues. Negotiations are proceeding between the Company's architects and the Government respecting the exact route of the new line and other details connected with it. I am not at present in a position to make any definite statement as to when actual work on the line will commence. Shareholders have already been notified by circular with regard to this Company's unissued shares. Applications for such must reach this office on or before 30th June, 1907, and allotment,
		ASSETS.
Total stock in trade	\$1,864,660.09	\$ c.
Building improvements, furniture, fittings and trade utensils at Hongkong, Manila, Canton, Amoy, Foochow, S'hai, Hankow, Tientsin, and native branches:	\$992,363.21	
As per last account	117,948.86	
Amount written off for depreciation in May, 1906	8,808.17	
	109,140.41	
Added during 1906	34,131.04	
	143,371.45	
Aerated water and other machinery and plant at Hongkong, Manila, Canton, Amoy, Shanghai, & Hankow;		

will be made on 31st July, 1907, from which date the shares will be dividend bearing property to the amount paid up thereon. Since printing the report and statement of accounts, the Hon. Mr. W. J. Gresson has resigned his seat on the Board and Mr. H. Keswick has accepted the invitation of the Directors to fill the vacancy thus caused. The retiring directors who offer themselves for re-election will therefore be Hon. Sir Paul Chater, C.M.G., Dr. J. W. Noble, and Messrs A. J. Raymond, G. C. Moxon and H. Keswick. I have no further remarks to make, but if any shareholder has any questions to ask I shall be pleased to answer them.

No questions being asked, the CHAIRMAN proposed the adoption of the report and accounts as presented.

Mr. TARRANT seconded, and the motion was carried.

The CHAIRMAN proposed the re-election of Sir Paul Chater, Dr. J. W. Noble and Messrs. A. J. Raymond, G. C. Moxon and H. Keswick as directors.

Mr. WONG seconded the motion, to which shareholders agreed.

Mr. CLARK proposed, and Mr. RAYMOND seconded the motion reappointing Messrs. W. H. Potts and A. R. Lowe auditors. Carried.

The CHAIRMAN—That is all the business, gentlemen. Thank you for your attendance. Dividend warrants are now ready, and can be had at the office.

The report of the directors for the period from 19th October 1905 to 30th April 1907 (inclusive), was as follows:

Gentlemen.—The Directors now beg to submit to you their report and statement of accounts for the period from 19th October 1905 to 30th April 1907 (inclusive).

The Net Profit for that period, after providing for loss on subsidiary coins, amounts to ... \$43,830.71

From this have to be deducted:—

Remuneration to Directors ... \$3,840.00

Remuneration to General Managers, 5 per cent on gross earnings 7,335.08

— 11,175.08

Leaving available for appropriation 32,655.63

The Directors recommend that a dividend of one dollar per share be paid to shareholders, absorbing \$25,000.00, that \$5,000.00 be written off Stations and Shelters and that the balance of \$2,655.63 be carried to a new profit and loss account.

DIRECTORS.

Messrs. C. W. Dickson and C. Ewens having resigned, Hon. Mr. W. J. Gresson and Mr. G. C. Moxon were invited to occupy the vacant seats on the Board. In accordance with rule 73 of the Company's Articles of Association, Hon. Sir Paul Chater, C.M.G., Hon. Mr. W. J. Gresson, Dr. J. W. Noble, Mr. A. J. Raymond and Mr. G. C. Moxon retire, but being eligible offer themselves for re-election.

AUDITORS.

In the absence of Mr. W. H. Potts from the Colony, the accounts have been audited by Messrs. A. R. Lowe and Mr. Maitland. Mr. Potts and Mr. Lowe offer themselves for re-election.

HENRY HUMPHREYS,
Chairman.

Hongkong, 18th May, 1907.

PROFIT AND LOSS ACCOUNT.

From 19th October, 1905 to 30th April, 1907.

	\$ c.
To coal and stores	19,612.48
To charges	6,106.16
To maintenance and repairs	9,707.66
To rates, Crown rent and fire insurance	2,108.54
To salaries and wages	36,292.05
To mortgage interest on R. B. Lot 80	3,115.82
To legal expenses	16,718.60
To allowance to General Managers to cover office rent and clerks' salaries	9,209.68
To balance	43,830.71
	\$146,701.70

	\$ c.
Cr. By traffic receipts (after deducting loss on subsidiary coins)	140,999.61
By advertisement rents	844.51
By rent account	482.17
By transfer fees	7.00
By interest	4,368.41
	\$146,701.70

BALANCE SHEET at 30th April, 1907.	
LIABILITIES.	\$ c.
Capital account:—	\$ c.
75,000 shares of \$10.00 each	750,000.00
Less unissued	50,000.00
	250,000.00
Mortgage R. B. Lot No. 80	29,000.00
Sundry creditors	12,249.88
Profit and loss account	43,830.71
	\$335,080.59

ASSETS.	
\$ c.	\$ c.
Permanent way and concession (old line)	200,000.00
Permanent way and concession (new line)	43,629.29
Stations, Crown leaseholds and buildings (Inland Lots 1,317, 1,333, 1,334, 1,335, 1,343 and R. B. Lots 80 and 86)	39,634.29
Rolling stock	29,732.46
Office furniture	125.00
Cools and stores in hand	884.59
Sundry debtors	955.45
Cash in Hongkong and Shanghai Bank	8 c.
Cash and compradores' orders in hand	3,830.35
	20,722.51
	\$335,080.59

THE "STAR" FERRY COMPANY, LIMITED.

The Report for presentation to Shareholders at the Ninth Ordinary Annual Meeting to be held at Messrs. Gibb, Livingston & Co.'s Office, St. George's Building, at 12.15 p.m., Wednesday, May 29th, reads:—

The Directors have the pleasure to submit to Shareholders their report, with a statement of accounts, for the year ending 30th April, 1907.

ACCOUNTS.

The nett earnings of the boats, after paying all working expenses and providing for a loss of \$9,866.64 on subsidiary coins, were \$48,022.80 as against \$42,998.13 last year, being an increase of \$5,024.67.

The amount at credit of Profit and Loss account, after paying for repairs and placing \$8,250.00 to credit of Insurance Fund, is \$7,237.91 which, with the approval of Shareholders it is proposed to appropriate as follows:—

Directors' and Auditor's fees ... \$ 1,100.00
Dividend of 10 per cent. ... 15,000.00
Write off boats ... 11,000.00
Carry forward to new account ... 137.91

\$27,237.91

BUSINESS.

Passenger traffic, more especially first class, shewed a falling off compared with the previous year, due in large measure to there having been fewer steamers at the Wharves since the typhoon of September last.

TYPHOON OF 18TH SEPTEMBER, 1907.

All five boats escaped but were more or less damaged. The guide piles at Ice House street wharf and the erections on the wharf were swept away. The cost of making good damage occasioned by the typhoon was \$11,105.58 of which \$1,771.53 (being the amount spent on the boats) has been debited to Insurance fund.

DIRECTORS.

In accordance with the Articles of Association Mr. A. G. Wood retires but offers himself for re-election.

Hon. Mr. C. W. Dickson having resigned, his place was taken by Hon. Mr. W. J. Gresson whose appointment requires confirmation.

AUDITOR.

Mr. F. Maitland in the absence of Mr. W. H. Potts has audited the accounts now presented. Mr. W. H. Potts offers himself for re-election.

C. P. CHATER,
Chairman.

BALANCE SHEET, 30th April, 1907.

LIABILITIES.	
To capital:—	
10,000 shares at \$10 each fully paid up	\$ c.
paid up	100,000.00
10,000 shares at \$10 each \$5	\$ c.
paid up	50,000.00
	150,000.00
To reserve fund	65,000.00
To insurance fund	39,436.37
To unclaimed dividends	858.75
To accounts payable	18,548.55
To director's and auditor's fees	1,100.00
To dividend	15,000.00
To balance of profit and loss account	137.91
	\$290,181.58

ASSETS.	
\$ c.	\$ c.
By value of boats as per last account	165,000.00
Since expended	1,700.00
	166,700.00

Less written off	\$ c.
	11,000.00
	155,700.00
By accounts receivable	3,525.39
By Hongkong and Shanghai Bank	25,897.44
By Hongkong and Shanghai Bank No. 2 account	858.75
By Hongkong Hotel debentures	30,000.00
By Hongkong and Kowloon Wharf and Godown Company, Limited, loan	75,000.00
By Cash in hand	100.00

PROFIT AND LOSS ACCOUNT.	\$ c.
To ordinary repairs and alterations	10,112.54
, cost of making good damage to wharf &c., caused by typhoon of 18th Sept.	9,324.05
, Insurance fund	8,250.00
, Balance appropriated as follows:—	
Directors' and auditor's fees	\$ 1,100.00
Dividend of 10 per cent	15,000.00
Written off boats	11,000.00
Carried to new account	137.91
	27,237.91
	\$ 54,934.50

By balance from last account	\$ c.

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THE COMMISSION

A DAMNING REPORT.

On May 16th the members of the Legislative Council received copies of the report of the Commission that has been investigating Sanitary Administration. It has 296 pages. The first sitting was on May 21st 1906, and in all, 60 meetings, extending over 215 hours, have been held. In all 183 witnesses have been examined, of whom 134 were Chinese. After seven meetings, the Commission felt obliged to take up the question of corruption. Following is the text of the report from that point:-

11. We were forced to the conclusion that not only great irregularities but corruption and bribery were rampant in the Sanitary Department. This was unfortunately by no means confined to the native Assistants, Interpreters and subordinate Officials, but there was reason to fear extended throughout the staff of British Inspectors.

12. Although the meetings of the Commission were held in camera, the only means by which such an enquiry could be satisfactorily prosecuted in such a community as this, it was soon apparent that as regards the proceedings of the Commission, secrecy had not been maintained.

13. We had reason to believe that certain contractors and others, having dealings with the members of the Sanitary Department, were destroying or altering their books, and taking other measures to prevent the Commission from finding out the exact extent to which irregularities had been carried.

14. In June therefore, the Commissioners turned their attention to this question.

15. A large number of Chinese witnesses were summoned without warning to appear before the Commission and to produce their books.

16. The result was far from satisfactory. A number of the firms failed to produce their proper books, although it is evident that such books must have been kept, this being the invariable custom among Chinese business men.

17. Some witnesses left the Colony. In many cases, though books of sorts were produced, it was clear that these were subsidiary rather than the proper books of the firm, which had disappeared or been tampered with.

18. It has been stated that this was in a measure due to suggestions made by certain of the Sanitary Staff who had been involved in irregular transactions, while evidence has been adduced that at least one of the Sanitary Inspectors attempted to persuade a certain witness to leave Hongkong, and in another instance did actually by threats of violence drive a second from the Colony.

19. Among those books produced were some belonging to certain firms holding Government contracts, which clearly shewed that payments, in many cases of considerable amount, had been regularly made to Sanitary Inspectors and other Officials. The correctness of these entries have been sworn to by members of the native firms interested.

20. The Commissioners cannot but consider that they are justified in believing there was some similar reason for the non-production of the necessary books by the firms already referred to.

21. Evidence which in many cases appeared to implicate individual employees of the Government, having come to the knowledge of the Commissioners, these cases were investigated by them so far as possible and where a *prima facie* case appeared to have been established, the evidence bearing on that case was at once forwarded to the Government, as it appeared desirable this should be done, rather than all these matters should be kept in abeyance until our final report had been submitted to Your Excellency.

22. Turning now to the terms of the Commission, the Commissioners in the first place would state that their enquiries into the working of the Ordinance all point to the conclusion, viz., that the Administration of the Sanitary and Building Regulations as carried out under the existing Ordinances is most unsatisfactory, both in the Administration and in many of their regulations.

23. In order to fully explain what appear to be the drawbacks in the regulations and the

failure in administration, the Commissioners have decided to deal in detail with certain sections of the Ordinance, pointing out where hardship exists, the causes for complaint, and the resultant injury done to property and consequently the general prosperity of the Colony.

24. We then deal with the alterations which appear desirable in order to render the working of the Ordinances more efficacious, and at the same time less harassing and onerous to the community.

25. Of all the drastic sections of a very drastic Ordinance, section 175 probably affects property owners more seriously than any other. It is defective in the fundamental principles of equity inasmuch as it sacrifices vested rights without compensation. To quote from the petition of the land owners to His Excellency the Governor regarding the Public Health and Buildings Bill, September 28th, 1902, "No principle is more firmly established in our Constitution "or has often been upheld by our Courts than the principle that without compensation a violation of the rights of private property will not be permitted even for the public good," yet we find that this section, retrospective as it is, in its application, has already caused the property owners of Hongkong losses computed at several lakhs of dollars.

26. There can be no doubt that if this section of the Ordinance continues to be enforced without compensation, the losses will be still more serious.

27. One of the witnesses, no less an authority than the Building Authority himself, admitted that the enforcement of this section in respect of a property upon which the owner had obtained four-fifths of the purchase price on mortgage, was equivalent to Government confiscation.

28. The mortgagor so far from finding his property enhanced by the costly re-constructions, finds it seriously depreciated in value, as tenants invariably demand lower rents in consideration of the available accommodation being reduced. His margin gone, his rents reduced to such an extent as to leave him unable to pay the interest on his mortgage, the unhappy mortgagor, if he be a man of small means, has to relinquish his property at a heavy sacrifice or go into bankruptcy.

29. When this circumstance is duly considered in conjunction with the losses incurred from the concreting and lime washing regulations, there is small room for wonder that Chinese property has, as is affirmed by several witnesses, depreciated 30 to 35 per cent. in value.

30. The tendency of the Chinese to send their families away from the Colony is becoming more and more marked (vide census returns which shew an actual Chinese population, exclusive of new Kowloon, of 287,583 as against the estimate given in the Report on the Health and Sanitary Condition of the Colony for the year 1905 of 338,873 exclusive of new Kowloon, or a shortage of 51,290 persons).

31. Property in Hongkong until the last two or three years has been one of the favourite investments of the Chinese community, and keen competition always existed whenever a property came into the market, but the Public Health and Buildings Ordinance of 1903 (section 175 thereof in particular) has altered all that.

32. Formerly it was the custom for the vendors when parting with a property to allow 2/5ths or 4/5ths of the purchase money to remain on mortgage, and the Government would have been wise to encourage a practice which stimulated legitimate enterprise in property, and incidentally brought in much revenue to the Government coffers, but now such transactions usually spell ruin, and are consequently becoming rarer and rarer.

33. It is doubtful, apart from the question of equity, whether the enforcement of section 175 without compensation is expedient on economic grounds. As a direct result of such enforcement, Crown lands diminish in value and the assessable value of property decreases.

34. The Public Health and Buildings Ordinance No. 1 of 1903 as originally drafted was (as was pointed out in the influentially signed petition against it) the work of a novice.

35. That the Government recognised this to a certain extent is certain by the fact of this being withdrawn and a redraft of the Ordinance made.

This redraft was intended to be final but before the ink was dry on it, it was found to be unworkable in many respects and wholesale amendments had to be made.

36. Even in its present form, it is a hasty and ill-considered document. It teems with ambiguous regulations and the confusion is made worse by the employment of different phrases and words to express the same meaning. Sub-section 2 of this very section (175) is a case in point.

37. Neither the Building Authority, Principal Civil Medical Officer, nor Medical Officer of Health, or anyone else is able to say exactly what it does mean, but the inference is that houses of more than 40 feet in depth having two main frontages in different streets require double as much open space in the rear as is required by similar houses having only one frontage but which are back to back or about against a cliff.

38. The unworkability of this sub-section has in fact been recognised by its non-enforcement in the case of nearly all the many Chinese houses in the Colony that are more than 50 feet in depth.

39. The Honourable the Director of Public Works admitted in his evidence that the Government had received premia and had been for years receiving revenue in the shape of rates and Crown rent from land which should have been devoted to wider roads and more roads and scavenging lanes.

40. In other words that the Government had been profiting by the insanitary condition of the Colony. That being so, some compensation at least should be made to property owners for such costly re-constructions as come under this section (175), and the consequent shrinkage in the earning power of the property.

41. It must be remembered that in the great majority of cases, the Government through the agency of the Sanitary Board in forcing owners of property to comply with sub-section 1 of section 175, compel them to create a breach of section 140 in respect of kitchen space.

42. Hitherto the Government have forced the compliance on the one hand and winked at the attendant breach on the other, which is obviously a most undesirable state of affairs and quite indefensible on any ground whatever.

43. The numerous changes in our laws respecting property and the fact that these changes have in many instances had the effect of reducing values, coupled with the uncertainty that prevails as to still harsher laws being enacted, render businesslike calculations almost impossible, engender a feeling of uneasiness and want of confidence, and thus keep investors aloof.

44. The origin of sub-section 1 of 175 can be traced as far back as Ordinance 34 of 1899 (section 7, sub-section A) which reads: "Every domestic building "must be provided with an open space in the rear, &c., &c."

45. In a subsequent Ordinance, No. 10 of 1901 (section 55, sub-section 1) the same clause was altered to read "every domestic building must be "provided by the owner with an open space in the rear, &c., &c." The words added constituted a most far-reaching and radical alteration notwithstanding which the Attorney General in introducing the Consolidated Ordinance (10 of 1901) to the Legislative Council said: "In substituting a single Ordinance for the fifteen it repealed it had been found necessary to make some alteration in the wording of some of the enactments consolidated so as to preserve uniformity of language and prevent undue repetition but that nearly the whole of these amendments were purely formal and the substance of the law remained entirely unchanged."

46. It seems almost inconceivable that the Attorney General should have been so blind to the tremendous significance of these three words "by the owner."

47. It has been shewn in the evidence before the Commission that sub-section 1 of section 175 of No. 1 of 1903 which is an exact copy of section 55, sub-section 1 of 10 of 1901 has cost the landlords of Hongkong very large sums of money and will if not repealed cost them many tens of thousands of dollars more, for which there can be no doubt the addition of these three words "by the owner" in the 1901 Ordinance and their re-production in the 1903 Ordinance are almost entirely responsible.

48. It has proved most unfortunate for property owners that the speech of the Attorney General in introducing the 1901 Ordinance was such as not to arouse the slightest suspicion among the unofficial Members of the Council that the changes proposed were other than as described by that learned gentleman, and that they were satisfied with his statement that "the substance of the law remained entirely unchanged."

49. It may be argued that if the three words added to the 1901 Ordinance were so oppressive, how is it that no serious complaints were made until after the section containing them was re-embodied in the 1903 Ordinance.

50. The reason is not far to seek. The 1899 and 1901 Ordinances contained succeeding clauses which provided that houses built after the enactment of these Ordinances could dispense with back yards if they had a lane of a certain width in the rear. Old houses having a certain open space at the rear could and did obtain exemption from providing back yards.

51. In fact, at these periods the Government encouraged landlords to provide lanes in lieu of back yards, but in the Health Ordinance of 1903, the succeeding and modifying clauses contained in the 1899 and 1901 Ordinances were entirely deleted with disastrous results to property owners.

52. Houses completed at the end of 1902 or the beginning of 1903 passed by the Sanitary Board and the Building Authority as being built in accordance with the law and which in fact were the very creatures of the law (being built more or less under the direct encouragement and advice of the Government who sold land in lots to suit blocks of houses of a certain height, width and depth, and of a design with which they were perfectly familiar) were condemned as illegal.

53. Lanes were no longer to be encouraged as against backyards and lanes privately owned are not allowed to count as open space. Even public roads fifty feet or more in width are not allowed to count as open spaces and under sub-section 2, it would seem that a building with a wide public road back and front is considered far more insanitary than one with only one frontage. If the effect of all this were not so serious, it would be ludicrous.

54. For instance, we would remind Your Excellency of the case of the present building of the Hongkong and Shanghai Bank, which at any moment might under the terms of the Ordinance be called upon to provide an open space as a back yard in the rear (*i.e.*, on the North side) although open from Des Vœux Road to the Kowloon Peninsula.

55. Over and above all, the Government have lately been advised by its legal adviser that under section 175 the Sanitary Board has only power to recommend modifications and not exemption from the section. The sole remaining safeguard of property owners was thus swept away with results which have temporarily if not permanently jeopardised the progress and prosperity of the Colony.

56. The Sanitary Department is carrying on a more vigorous campaign than ever as regards the enforcement of this section (175) notwithstanding that such enforcement would, in many cases, appear to be illegal by the ignoring of the proviso contained in section 268 of the Ordinance.

57. Land is the foundation of all prosperity and any legislation which lessens its security of tenure (as section 175 does) must be disastrous to the community affected by it and in the end to the Government itself which cannot separate its interests from the community it governs.

58. We are of opinion that section 175 of the Ordinance requires to be completely revised and that compensation should be given under sub-section 1.

59. In recommending the introduction of a drastic law for the entire abolition of cubicles or sub-divisions of the floors of the Chinese tenement houses, the advisers of the Government apparently did not study the question thoroughly or fully realise the effect of the legislation they proposed. This is evidenced by the passing of Ordinance 23 of 1903 and the numerous minutes, which have been written suggesting modifications.

60. It must be borne in mind that the only means the Colony possesses of housing the Chinese population is by means of these subdivisions, without which it is impossible for the

middle and poor classes of Chinese to live comfortably and decently.

61. Ordinance 1 of 1903 totally prohibited the erection of cubicles and when it was found unworkable, it was consequently amended as above stated to allow one cubicle to be erected on each of the upper floors of existing houses and none on the ground floor. Under both Ordinances, however, the erection of cubicles in the newly built houses is entirely forbidden.

62. As it has appeared in evidence, the amended Ordinance is still found impracticable and inflicts too much hardship on the Chinese who feel compelled to send their families back to the mainland of China, owing to the consequent increase in the cost of living and want of domestic comfort and privacy.

63. Those who cannot very well send their families away, have been driven to use cloth, and in the case of the poor class, rags, in place of wooden partitions to secure a little privacy for their women folk.

64. This has made the condition of sanitation go from bad to worse, in so much as the cloth partitions, while preventing ventilation as much as the wooden ones, accumulate dirt to a far greater extent, and are more liable to cause fires.

65. The Chinese tenement houses are so peculiarly constructed that every storey or floor as it is commonly called is simply one long room. The rent of each room ranges from \$10 in the poor districts to \$50 per month in the busiest part of the city. Very few Chinese can afford to take a whole storey. Generally two or three families keep a floor together, in order to bring it within their means to keep their wives and children with them.

66. An instance may be given of a Chinaman earning \$40 a month as a clerk, though \$40 a month is above the average earning of a Chinese clerk. He must live in a fairly respectable manner as his position requires it. He cannot live far away from his business amongst the coolies. He has to rent a floor in the Central District, which costs at least \$20 per month, accommodating above twelve persons. Practically half of his wages is absorbed by the rent, the remaining half being barely sufficient to pay for his daily necessities, for, under the present law, it is impossible for him to save 40 per cent. to 50 per cent. of the rent by partitioning off the floor and sharing it with another family as before.

67. Even when a better paid man can afford to pay \$10 to \$30 rent a month, the present Ordinance presses with undue severity on him. He may have a mother, a sister or a brother living with him, besides his own wife and children, and one or two servants. The only cubicle allowed to be put up is used by himself and his wife. His mother, children and all the members of his family have to sleep and do everything in full open view of each other in the remaining space.

68. Except in the cubicle, there is no other privacy available. The law does not allow even a little space to be enclosed for the sake of convenience, dressing and washing. Reduced to this primitive state, life amongst the wage earning classes of Chinese has become almost unbearable.

69. The Chinese merchants and traders, too, are not left without a share of the hardship. The rent of their shop varies between \$30 and \$100 per floor, which is similar in construction to the floors of the tenement houses. To meet their business requirements, an office or account's room must be put up on the ground floor. The present law requires it to be constructed with an open front above the counter, which is unsuitable for the conduct of business, requiring privacy and security.

70. The common practice of a Chinese merchant is to keep his safe and valuable papers in the account's room, and the caretaker of these, the accountant or shroff is to sleep in the room, but the law also forbids this, for any enclosed space used for sleeping purposes is a cubicle and therefore illegal.

71. The other floors of a Chinese firm are also partitioned into so many cubicles for the manager and the clerks, and any cubicles which are not required for the staff, are in the majority of cases let to the agents for other smaller businesses outside the Colony. It is therefore obvious that the hardship consequent upon the

prohibition of the erection of more than one cubicle on the upper floors of the existing houses is keenly felt by Chinese of all classes.

72. In his evidence, the Principal Civil Medical Officer has admitted that sections 153 and 154 dealing with cubicles are drastic and unpractical. The remarks and suggestions embodied in the statement of Mr. A. Carter, the Sanitary Surveyor, which is appended hereto, are worthy of consideration. From the evidence before us, we cannot but arrive at the conclusion that the revision of the law in this direction deserves the serious attention of the Government and the Legislature.

73. It is impossible to make a hard and fast rule in this matter, but we are of opinion that cubicles are a necessity to the Chinese population, and that the whole question in the general interest requires careful consideration and thorough revision.

74. Under section 6, sub-section 9, it is laid down that the Building Authority means Director of Public Works, or such other person as the Governor-in-Council may from time to time appoint, to give effect to the provisions of Part III of this Ordinance amending the same.

75. Under section 205, dangerous buildings may be so declared by the Building Authority or an officer deputed by the Governor-in-Council in that behalf.

76. Under section 230, where the existence of a nuisance under Part III of the Ordinance is brought to the attention of the Building Authority or of any officer deputed by such authority in that behalf, or to the attention of the Principal Civil Medical Officer, then any of these officers can issue notices to abate the same.

77. A list of nuisances under Part III is given in section 239, sub-sections 1 to 6, but sub-section 6 seems to cover not only the nuisance specified in Nos. 1 to 5, but every nuisance under the Ordinance.

78. In the first place, we would point out the inconsistency of sub-section 9 of section 6 and sections 205 and 230, in so far as the appointment of delegates to the Building Authority is concerned, as by the first two of these sections the delegate must be appointed by the Governor-in-Council, and by the third the power is given to the Building Authority himself to nominate and depute a substitute.

79. Mr. Perkins of the Building Authority Department has been deputed by the Governor-in-Council to issue notices, &c., under section 205.

80. The Secretary of the Sanitary Board has been deputed by the Building Authority to issue notices under Part III of the Ordinance, but as is pointed out in paragraph No. 77 of this Report, this covers every nuisance in the Ordinance, we do not consider such delegation proper or satisfactory, as the Secretary of the Board has no technical knowledge of Building Construction, and is therefore dependent on the Sanitary Inspectors, and obliged to sign any notice which in the opinion of the Inspector should be served. And we have even known cases where the Acting Assistant Secretary of the Sanitary Board has signed notices on behalf of the Building Authority.

81. In another instance a building was declared dangerous by an overseer, who served a notice, which he signed for the Building Authority, but this may have been an oversight, and we cannot find that there have been any other complaints of this nature.

82. The Building Authority admits that much of the work delegated to the Sanitary Inspectors is of such a nature that they are not fully qualified to deal with, and should be the work of the Engineer.

83. We consider the power given to the Principal Civil Medical Officer under section 230, to deal with Building Nuisances, misplaced, as by his own admission he is not qualified to deal with some of them, which should properly be dealt with by an engineer.

84. Several prosecutions have been instituted by the Building Authority against contractors for using bad mortar in the construction of buildings.

85. The contractors employed professional assistance on their behalf as they believed the tests applied by the Building Authority were fallacious, and the convictions consequently unjust.

86. In this connection, Mr. A. Ough, Civil Engineer, and partner of the firm of Messrs. Leigh and Orange, made several tests of mortar taken from works being carried out under their supervision.

87. A copy of Mr. Ough's report with the results of the tests he applied, and the tests applied by the Building Authority, is hereto annexed.

88. On page 5 of Mr. Ough's report, comparative tests made by the Building Authority and Messrs. Leigh and Orange in five cases are given, and from it a strong case is made out for a further and an independent examination and tests of the mortars before prosecutions are instituted by the Government.

89. We commend to the attention of Your Excellency Mr. Ough's report, with a view of further evidence on the subject being obtained.

90. The concreting of floors and their maintenance are governed by sections 111, 112, and 140 of the Ordinance.

91. By the first of these sections, 111, the ground surface of every domestic building shall be properly covered with a layer of not less than 6 inches of good lime or cement concrete finished off smooth, and the ground surface of every basement, cook house, back yard, &c., shall be properly covered over with a layer of good lime or cement concrete not less than 6 inches thick finished off smooth, with not less than 2 inches of cement concrete or with hard glazed bricks, &c., &c., or with such other material as may be approved by the Board. Provided always that this section shall not apply to any existing domestic building, the ground surface of which has been paved to the satisfaction of the Board in accordance with any existing law or bye-law, and which is so maintained.

92. By section 112, where the ground surface of any domestic building, cook house, &c., &c., is or has been paved or covered over with impervious material, and such material has been subsequently broken, excavated or otherwise disturbed, or has perished, it has to be made good to the satisfaction of the Board, upon the completion of any work for the execution of which the same has been broken or otherwise disturbed, or within 14 days from the receipt by the owner of written notice from the Board to do so.

93. By section 140 every kitchen floor shall be properly paved or floored with cement concrete or other non-absorbent material, approved by the Building Authority.

94. So far as the repairing of the floors is concerned, much hardship has been created by the Authorities in a large number of cases requiring the owner to re-concrete the floor, whereas the actual damage to the floor was confined to the superficial covering of same having become slightly defective. No such power is given in the Ordinance to compel an owner in such case to re-concrete, the words being to "make good". These words are given in the notice (Sanitary Board 2) but at the instigation of some officer and without the authority of the Board, the words "make good" have been deleted and the words "to re-concrete" substituted, which words have a much wider application, and not required by law.

95. The Sanitary Surveyor, Mr. Carter, admits this allegation and in justification says he has taken too high a standard for concrete in this Colony.

96. In 1905 about 1,700 notices were served to re-concrete, and from an examination made by some of your Commissioners during this year, it was found that in many cases very superficial repairs to the surface of the floors were all that were needed, and in other respects they were not in a state to need re-concreting.

97. The needless waste of money which owners have been called upon to expend has been quite unjustified and has cost many thousands of dollars, not taking into consideration the loss sustained through the resultant dislocation of business or the bribes which have been paid to inspectors for the exemptions they had no power to lawfully grant, and which from the evidence adduced must amount in the aggregate to a considerable sum of money, the usual charge for such exemptions being apparently \$25 for each yard of floor.

98. In many cases it would appear that not only were inspectors guilty of receiving bribes for unlawful exemptions but that the notices

themselves were illegal and unnecessary inasmuch as the law provides for surface yards being made good and not re-concreted as already stated.

99. The uselessness of having these three sections dealing practically with the same matter is apparent and the late Acting Principal Civil Medical Officer says it was oversight of draughtsmanship.

100. The anomaly is remarkable that in sections 111 and 112 the material used shall be approved by the Board, and in section 140, it should be approved by the Building Authority. But as is pointed out in section 82 of this Report, the Building Authority having delegated his authority to Sanitary Inspectors, he knows little or nothing of it from personal knowledge.

101. One difficulty about lime concrete is the absence of stone lime in sufficient quantity procurable in the Colony to be generally available, and so it has to be made with shell or coral lime.

102. The component parts of lime concrete used are lime, red earth and granite. Experts vary slightly in their recommendation as to the respective quantities to be used of each of these materials, and also in the matter of laying the same, but from evidence adduced we would recommend the following definite specification should be laid down, subject of course to the Board having the right to approve of any other kind of flooring or materials, which in their opinion may be equally good or better:

Lime concrete	6 inches thick
Lime	1
Red earth	2
Broken granite to pass one inch mesh	4

the whole to be rammed before setting until the lime comes to the surface. This specification is the one required at present for encasing drains under the Drainage Bye-laws.

103. A similar course should be adopted with regard to cement concrete floors if preferred by the owner, which should be four inches thick, substituting cement for lime, but in view of the extra cost entailed we do not recommend its compulsory use.

104. We recommend the consolidation of sections Nos. 111, 112, and 140.

Also that the Building Inspector shall generally supervise the laying of the floors.

That a certificate be given that the work has been satisfactorily carried out. That such certificate should be held good as against all but surface repairs for eight years in the case of lime concrete and fifteen years in the case of cement concrete.

This certificate should bear an endorsement that during the period such certificates are in force the owners shall not be called upon to open up the ground surfaces of their houses but only to repair broken surfaces.

105. By section 140, the internal surface of these walls have to be rendered in cement mortar to a height of not less than 4 feet.

106. From evidence it seems that on account of the action of heat from kitchen fires, general rough usage by Chinese, and the difficulty of making the cement adhere to the walls (old walls especially) to so great a height as four feet, the enforcement of this part of the section is unsatisfactory, and we recommend that the height be limited to 18 inches.

107. We consider that the medical staff should have nothing to do with examining and passing the above works, which are eminently questions for a Civil Engineer.

108. A certificate should be granted on completion, which should protect the owner from being called upon to do the work a second time.

The Medical Officer of Health stated that although a Sanitary Inspector passes such work when completed, it is not a certificate that the workmanship is good.

109. Compulsory lime washing was first introduced as an anti-plague measure and largely as a result of the panic caused by the virulent outbreak of 1894. Ten years of enforcement of the lime washing regulations have shewn that the lime washing operations as carried out and for the purpose intended are a complete failure.

110. Although on the question of the efficacy of lime washing as a means of cleansing there has been considerable diversity of opinion in the expert evidence, on the question of its efficacy

as a disinfectant and germicide there has been virtually none. The evidence is conclusive that lime washing as carried out in Hongkong is valueless as a disinfectant and germicide.

111. The Medical Officer of Health supported lime washing because as it was apparently the only method of cleansing dark corners and out of the way places, he did not attribute any disinfectant properties to the limewash. Dr. Pearce said:—"I do not know what it (lime washing) was introduced for, but I should not carry it out as a means of destroying plague germs in a house; its advantage as 'an anti-plague measure is very small."

112. Mr. Ough was of opinion that English or stone lime put on hot would do good, and said that the lime used in lime washing operations locally was third grade Sai Kung lime which consisted of the lower and coarser layers of coral and shell lime mixed with sand and partly burned particles of shell. "The advantage" of lime washing was that there was visible evidence of the brush having been "there; the lime wash had no disinfectant properties."

113. Mr. Lemm expressed similar views. Mr. Perkins thought the number of compulsory lime washings might be reduced and that it might be left to the Medical Officer of Health or some high officer to discriminate, while Mr. Osborne was of opinion that "the so called lime washing entailed expenditure with no corresponding good, and was valueless except to accrete the surrounding dirt."

114. "In the majority of cases the stuff slopped on the walls is so weak in "whitening qualities that in a few days the walls are yellow again."

115. Mr. Osborne was also of opinion that compulsory lime washing should be abolished and its place taken by monthly house to house cleansing. He cited in support of his contention extensive experiments carried out under his direct supervision. His statement that as the result of his operations amongst a large staff of some thousands of employees, there has only been one case of plague in six years, notwithstanding the fact the disease raged in the neighbourhood, must command attention.

116. The Commission are inclined to the opinion that if properly monthly, bimonthly or even quarterly cleanings were undertaken by the people under the supervision of the Sanitary Board, compulsory lime washing may be found unnecessary and for the reasons stated hereafter, inexpedient. In any case, the Commission are of opinion that shops and the more respectable Chinese houses should not be placed upon the same footing as common lodging houses and opium dens.

117. The lime washing regulations have given rise to corruption on a very large scale, and the hardships and injustice attendant thereon have been considerable.

118. Work in connection with re-concreting and lime washing has got into the hands of a select few, the result of a ring formed amongst certain contractors and inspectors. The result of this has been to raise the price of lime washing from \$1.00 and \$1.20 to \$2.00 and \$2.50 per floor. Good work done by contractors outside the ring has been condemned over and over again, whilst bad work done by ring contractors has been passed at once.

119. The usual procedure in such cases would seem to be for the Inspectors to delay inspecting work done for two or three weeks. By this time the lime wash would probably be soiled again either by dirt or smoke and the contractor would be ordered to do it again. This process would be repeated until finally the contractor would, unless he engaged a ring contractor to finish the job or bribed the Inspector, be summoned before the Magistrate and fined.

120. Apart from the inconvenience to tenants of this delays, the first cost of these lime washing operations (aforesaid) in the poorer districts often amounts to nearly a month's rent, and as they occur twice yearly and form but one of the many recurrent items of expenditure that the landlord is put to under the Health Ordinance, it is not difficult to account for the enormous shrinkage in values of Chinese property, particularly in the poorer districts.

121. The Government of India do not recommend lime washing as a plague preventive, and lime washing the walls of houses does not destroy the rat fleas infesting them. That fleas from

plague stricken rats are largely instrumental in spreading plague among human beings admits of little doubt.

122. Under all the foregoing circumstances, therefore, if the question at issue is whether compulsory lime washing as an anti-plague measure should be continued or abolished, the Commission have no hesitation in recommending the abolition of the regulations *in toto*, but if the question at issue is one of cleanliness, as several of the experts have claimed that lime washing is conducive to that end, it is possible that the continued enforcement of the regulations in a modified form and freed from the hardship and corruption they now entail may be advisable unless some more speedy, efficacious and economical method of cleansing can be found to take the place of limewash.

123. Considerable evidence has been given before the Commission by architects, contractors and property owners, with regard to the great inconvenience and pecuniary loss occasioned through the delay which arises in the passing of plans and of work.

124. Even when plans have been drawn up in accordance with the laws, it appears that a month or six weeks often elapses before the plans are passed. In the meantime, the owner being unable to proceed with the work, suffers loss.

125. Evidence has been given as to the method of passing plans adopted in large towns both in England and in self governing Colonies, from which it appears that, provided plans are in accordance with the law, a few days or at the most a week is all that passes from the time the plan is submitted to the Borough Engineer to its being returned as passed.

126. The delay here is no doubt in a measure due to the fact that the plans have to be sent to and fro between the Sanitary Department and the Building Authority, whose offices are not in the same building.

127. If, as we suggest, the whole of the Sanitary work be concentrated in the one Department, there does not appear to be any reason why a week at the most should not suffice in which to pass correct plans. Should they not be correct, these plans should be returned at the end of that period with a detailed list of the alterations or corrections required.

128. As it is, many months sometimes elapse before plans are returned with the remark that they are not in accordance with the law. Instances have been cited wherein some cases over six months have been lost during which time no reply or acknowledgment has been received from the Department concerning the application for plans to be passed.

129. In the same way, much valuable time is often wasted, and consequently pecuniary loss sustained, through the delay in passing work which has been correctly carried out. In some instances a certificate of occupation has not been granted until a month or more after the work has been reported as completed. This is no doubt also due to a division of authority, but also in part to want of system.

130. We would here point out that in England no certificate of occupation is required.

131. The Commissioners are forced to the conclusion that this delay is in certain instances due to the fact that the Inspecting Officer has not been personally "approached", or that the work has been carried out by some contractor who is unknown to the Inspector and not being one of the regular clique has not given the usual bribe expected.

132. To quote an instance, an outside contractor having been employed the Inspector repeatedly refused to pass his work. The contractor then appealed to another Inspector to whom he was personally known. The second Inspector took him to the first with the significant introduction "This man is a friend of mine," and the work was passed at once.

133. Special evidence has been given with regard to the passing of drains, but this is a question which will be dealt with under that heading.

134. The suggestions as to how the delay referred to can be obviated have been dealt with in our recommendation as to the division of the work of the Department.

135. In continuation of the preceding paragraph, we would point out that similar complaints have been made with regard to the passing of drains.

136. The position of a Sanitary Surveyor in charge of such work is, we consider, most unsatisfactory; this post should be abolished and the work carried out under the supervision of the Executive Engineer as suggested in the later part of our Report, when dealing with the question of the re-organisation of the staff.

137. At the moment, a Sanitary Surveyor holds the responsible position for passing this most necessary work, over whom there is practically no control, as neither the Principal Civil Medical Officer, nor the Medical Officer of Health are in a position to check or supervise his work, and must be guided entirely by his advice. He is practically uncontrolled in the conduct of his duties, as the Building Authority has no authority over this Official.

138. We consider such wide powers, particularly in reference to such an important part of building work as house drains, should not be left entirely to an officer of the rank and training of the present Sanitary Surveyor.

139. Witnesses have appeared before us who state that money has to be paid before drainage work is passed, and that unless the work is carried out by Sam Iu or one or two other favoured contractors, the drains and traps are deliberately broken by the Inspectors and the work has to be done again.

140. One witness stated he was thus forced to employ Sam Iu who charged him four times the amount it would have cost, could he have employed his own contractor.

141. Another witness who had been named as one who gave money to the Sanitary Surveyor and his assistants has denied this but admits giving presents at intervals throughout the year, as well as at Christmas time.

142. The Commissioners have not been able either to verify or disprove these statements, but are inclined to the opinion that irregularities have existed in connection with the passing of drains, but are unable to apportion the blame.

143. While on the subject of the passing of work, it would be as well to point out that the strict enforcement of the Ordinance by which an authorised architect must be employed in all cases of repair is a source of great hardships, throwing an unnecessary expense upon the house owner.

144. A case has been cited where a pane of glass in a covered veranda having been broken, the owner was asked to send a plan shewing the proposed repair; this would have cost a fee of about \$20, for a repair which could have been effected for 60 cents.

145. On another occasion, an instance was given of a poor Chinaman in an outlying district who having purchased a house of which the kitchen had fallen down, was summoned and fined for not having a properly constructed kitchen, the damaged one having been built up with timber and fallen débris.

As he was too poor to engage an architect and re-build the kitchen, he was forced to abandon the house, which is now empty, thus losing the \$200 he had paid for the property.

146. Previous to the modification of the Plague Procedure, brought about in the middle of 1903, at the instance of some of the unofficial members of the Sanitary Board, who had subjected the original procedure to constant criticism, large sums of money had been spent by the Government unquestioningly and ungrudgingly on disinfection in the belief that it was a preventive of plague.

147. Until 1901 the Sanitary Board relied solely on the Medical Officer of Health for Sanitary advice, and he was alone responsible for the policy pursued, and yet it appears that the present Medical Officer of Health admits he is not fully acquainted with the composition and effect of disinfectants.

148. One disinfectant was used and then another until in the autumn of 1901 a general disinfection of the City of Victoria was carried out on his recommendation by fumigating with chlorine and washing with a solution of carbolic acid. Jeyes' fluid had been the last disinfectant in use, and the substitution of carbolic acid was made at the suggestion of Inspector Reidie, who until 1st January, 1895, had been a Police Constable and had therefore not had the special training which would qualify him in passing an opinion on the value of a disinfectant. No steps were taken by the Medical Officer of Health to test this new

disinfectant. Inspector Reidie's recommendation appears to have been considered sufficient, and on this experiment a sum of something like \$25,000 was spent in the years 1901 and 1902.

149. The discovery that this expenditure had been wasted falls to the credit of the Secretary who was struck with its cost compared with Jeyes' fluid and caused a sample to be sent to the Government Analyst. This officer expressed the opinion that it would be useless to submit any disinfectant to chemical analysis if it would not mix with water. He reported that carbolic acid did not mix well with water and therefore stood condemned as a disinfectant.

150. Fumigation with chlorine was another costly experiment. The necessary materials alone cost a large sum yearly and to this must be added the wages of the staff of inspectors, foremen, carpenters and coolies employed in this work.

151. Apart from the material cost we must reckon the hardship to which the Chinese inhabitants of the Colony were subjected, turned out of their houses by the street full at 8 o'clock in the morning and kept there in the rain and cold the whole day.

152. The Colony is indebted to Dr. Pearse for the exposure of the inutility of fumigation with chlorine. Shortly after his arrival, he pointed out that Chinese houses could not be rendered sufficiently airtight, but at the time this advice was disregarded.

153. It does not appear in this case any more than in the case of carbolic acid that the Medical Officer of Health made any experiment to determine the value of chlorine as a disinfectant. No tests as far as we are aware were made of the effect of chlorine in a Chinese house, in order to ascertain whether the necessary proportion of gas could be maintained long enough to render it effective.

154. As late as 1903, fumigation and lime washing of infected houses formed a part of plague procedure, and it was not abandoned until Dr. Pearse pointed out its uselessness as a germicide. The lime washing was carried out at the expense of the Government, at contract prices nearly 100 per cent higher than those paid by private individuals. The waste of money thus entailed can be well imagined.

155. The plague procedure had latterly been very sensibly modified. Cleansing with soft soap and diluted Jeyes' fluid has been substituted for fumigation and Government lime washing, and a general cleansing of Chinese houses has been carried out regularly every year, at a cost of only a few thousand dollars. The big gangs of coolies and the large labour bills have disappeared, and the work is done by the Chinese themselves. But it must not be thought that we see no reason for still further changes.

156. In the general cleansing as in the disinfection of infected houses, too much power is left to the foremen. The inspector makes a few notes and gives a few orders, the Medical Officer of Health gives far too little supervision, the foremen and coolies have too much their own way and pay no regard to the wishes or feelings of the people whose houses they invade. Furniture must be removed into the street, that might have been left where it was. Articles washed must be washed again, resulting in much needless friction. These men have been known to march into peoples' houses and extort money by threats of the trouble they would put the inmates to, if their demands were refused. In the disinfection of houses, their behaviour is characterised by insolence, rudeness, and frequently violence, which of course adds to and to a great extent accounts for the hostile feeling of the Chinese towards the Board.

157. Supervision by the superior officers of the Department, and sympathy from the inferior officers, are what are urgently called for to remove the present feelings of fear and hostility.

158. In combating the plague, too little attention has been given to the importance of enlisting the co-operation of the Chinese. Taken on the whole, it must be admitted that the Chinese are ignorant of the most elementary principles of sanitation, and are antagonistic to all measures which interfere with their home life, but it was amply proved by Sir Henry Blake in the epidemic at West Point in 1903, that if they were approached in a friendly and sympathetic

way, the Chinese could be induced to co-operate with the Sanitary Board in taking measures against the spread of plague.

159. The formation of street committees to supervise disinfection and the establishment of free dispensaries also point the same way. It has frequently been asserted that the opposition to Sanitary measures was not genuine, but was a movement promoted by the upper classes. The lamentable frequency with which the bodies of Chinese are thrown out into the street proves beyond a doubt that the feeling of repugnance to the present methods of combating plague is deep seated and wide spread.

160. This antipathy cannot be removed, except by re-establishing confidence in the reasonableness and sympathy of the Sanitary Department. This will be a matter of years, so deep seated are the fears and hostility left, by the harsh and at times ill considered administration of the Ordinances, as a legacy to the community. To secure the end so much desired (the co-operation of the Chinese) we commend to the favourable consideration of Your Excellency the following suggestions:

161. The bye-laws for the prevention and mitigation of infectious and contagious disease require remodelling to meet our present knowledge of plague and the actual conditions of Hongkong. Since they were enacted, no radical changes have been made, beyond the provision of compensation for property destroyed. Plague has been shown to be much less infectious than was thought twelve years ago; infection has been proved to be carried in ways other than those suspected in 1894: seasonal variations, recrudescence of plague in infected houses, all point to the necessity for some adjustment of our ideas as to the best method of restricting the spread of bubonic plague.

162. Permission should be given in certain cases for the patient to be treated in his own house. In moribund cases, the privilege granted, when Dr. Pearce was Medical Officer of Health, should be permanently sanctioned and the patient left to die in his own house, and the corpse confined there with all the ritual demanded by the Chinese.

163. The disinfection of the premises might well be entrusted to the Chinese themselves. This was done at West Point in 1903 under Sir Henry Blake's directions, and the work was carried out effectively. A set of rules should be drawn up for the guidance of the Kai Fong (local Committee) and the actual work could be done under the immediate direction of the Sanitary Board and a member of the Kai Fong.

164. The institution of free dispensaries in 1905 and of district plague hospitals, a work carried on at present by the Registrar General and the two Chinese members of the Board, deserves substantial encouragement at the hands of the Government. The free dispensaries offer the Chinese the benefits of European medicine, and the Chinese are the more stimulated to avail themselves of these advantages, as a certificate of the cause of death by one of the dispensing doctors, licentiates of the Chinese College of Medicine, does away with the necessity for a post mortem examination, which is abhorrent to the Chinese. The clerks at these dispensaries are most useful in explaining the Sanitary laws to the Chinese community.

165. The district hospitals also lessen the terrors of plague. In them, a patient may be treated by a Chinese doctor in his own neighbourhood, and may be visited by his relatives. It seems to us that in these institutions lies the germ of co-operation between the Chinese and the Board, without which an effective administration of the Sanitary laws would be well-nigh impossible.

166. The system of rat catching at present in vogue is far from being satisfactory, scarcely any supervision being exercised over the men, who are left to work almost entirely at their own free will. There is practically no check on their work, nor have there apparently been any written regulations drawn up for the guidance.

167. Each Plague Inspector is allowed to engage his own rat catchers and to give his own instructions. The Inspector apparently bases his report upon information furnished by the rat catchers.

168. Reference having been made in section No. 241 of this Report as regards the constant

complaints concerning the conduct of rat catchers, we do not propose to go into further details. Suffice it to say that there is evidence to show that men have been dismissed for ill treating and intimidating Chinese.

169. We cannot but attribute the failure of the scheme to the conduct of these rat catchers. Instructions should be drawn up for their guidance and a close check kept on their work as well as their conduct in entering peoples' houses.

170. Once the co-operation of the Chinese community has been secured, we have every reason to believe that a better result would be attained, as their domestic peace and their business not being interfered with, they will readily help in the extermination of rats. Besides the refuse meat obtained gratis from the Slaughter House, we find large quantities of beef, sometimes amounting to about \$6 a month, were bought from the Mau Hing shop for bait. This should also be discontinued in future, as it was a waste of money; further, there were grave doubts whether the beef had been used for the purpose for which it was intended.

171. The contracts for the supply of labour and stores and for the performance of work such as the scavenging of the Colony, the removal of nightsoil, &c., have, year after year, been obtained by one or other of a small ring of men who have acted in collusion with the inspectors, clerks and foremen of the Sanitary Department, and outsiders, if they have ever succeeded in obtaining a contract, have found themselves compelled either to pay regular bribes to the inspectors, who supervised the work, or to sublet part of the contract at a higher figure to a member of the ring.

172. One, Sam Iu, is the moving spirit of the ring. This man began his connection with the Board as a scavenging coolie.

173. Either directly or indirectly, at one time or another, he has held the conservancy contract, the scavenging contract, the contracts for watering the streets, for lime washing houses, for work at plague cemetery, and for supplying labour. This year he has an interest in nearly all the contracts either direct or indirect in his own name or under an assumed name.

174. He is the contractor for labour and the watering of the streets, the manager and principal partner in the firm which holds the conservancy and scavenging contracts for Kowloon, the contractor for cemetery work has sub-let his contract to Sam Iu, so has the scavenging contractor for Victoria, and whilst he is a shareholder in the firm which does the conservancy of the city and has taken over part of the work from the firm on a lease, he supplies dustbins and undertakes the lime washing of houses and the covering of ground surfaces with concrete.

175. Sam Iu holds a practical monopoly of most of the work connected with the Sanitary Department; no one else seems able to completely satisfy the Sanitary Inspectors. Others have attempted to get a share of the work and have done it just as well and as cheaply as Sam Iu, but constant complaints on the part of the inspectors, prosecutions and heavy fines, have effectively crushed competition.

176. The firm Mau Hing, which since 1901 has held the contract for sundry stores, was not entirely owned by Au Sui Shang, by whom it was managed, but by a syndicate in which Lo Man Kai, the first Chinese clerk in the sanitary Board, had a large interest.

177. The letting of contracts by sealed tender, theoretically the most satisfactory method, has not in practice proved satisfactory. All the evidence we have received points to this, that in spite of all precautions, information which is regarded as confidential, leaks out. Tenders are still confined to the old ring, the members of which, to provide a semblance of competition, send in tenders under various names at figures somewhat higher than of their bona fide tenders.

178. In the case of contracts, but especially in those of the scavenging and conservancy, the heads of the Sanitary Department have relied too much on the inspectors and foremen, and have placed the contractors entirely in their power. The natural result has been that contractors have recognised it was to their interest to stand well with the inspectors, because they found that in matters of dispute, the inspector's word was invariably taken, without further enquiry. They consequently struck

a bargain with the inspectors and clerks of the Department, and together with them have succeeded in hoodwinking the executive officers.

179. We recommend that:-

- (a) All tenders should be numbered, initialled and stamped by the Colonial Secretary's Office and sent to the Sanitary Board in a sealed envelope marked "confidential," to be opened in the presence of the Board.
- (b) Before the Sanitary Board recommends a tender for acceptance, the tender should be referred to a select Committee to enquire into the identity and occupation of the tenderers and their proposed security.
- (c) Tenders should be called for in good time and all contracts let at least three months before the existing contracts expire, so as to give the new contractors ample time to make the necessary preparations.
- (d) Where the contract amounts to only a small sum annually, the tenderer should not be required to furnish security greater than 25 per cent. of that amount, so as to enable the small capitalists to come forward and compete.

2. The system of recognising authorised drainage contractors be abolished, as we cannot ascertain that any good has resulted, while we believe it has assisted in the creation of an improper monopoly.

180. It remains to deal with Sam Iu, the principal member of the contractors' ring. When his partner Tai Iei was banished for illicit dealings, Sam Iu thought it best to ensure against a like fate, and consequently took out a British born subject's certificate. It is questionable whether this man was born in Hongkong, and if this can be proved, we recommend his banishment, together with that of his brothers.

181. We consider far more supervision should be given to the daily carrying out of the various contracts.

182. At present the contractors are only controlled by the inspectors, by whose reports they are practically judged, thus, if a contractor declines to make payments to certain subordinate officials, he can be reported and punished. By this method he may be driven to pay blackmail, or, disgusted with his treatment, throw up the contract which can then be secured by someone who will prove more complacent in the matter of paying bribes.

183. Had any enquiry been made with regard to Au Sui Shang before granting the small stores contract, it would have been ascertained that his firm really carried on the business of a small Chinese provision shop. This would have resulted in further investigation which should have revealed the fact that the contract was really with L. Mau Kai, the Senior Clerk in the Sanitary Office. This appears to have been well known for some years past to the senior members among the inspectors, many of whom appear to have been personal customers of the firm. None however made any report on the subject.

184. The Secretary himself has admitted that he knew the Kwong Man Hing shop and wondered how it was possible that such an establishment could carry out this particular contract, but it apparently did not occur to him to look into the matter, or that there might be something requiring investigation, and even if he had, he would probably have been told it was not his business.

185. Further evidence for the necessity of such Enquiry has recently come to our knowledge. Some three months ago, tenders were received by the Government for renewals of the small stores contract for the Sanitary Department for the current year. The lowest tender sent in, in the name of a firm called Cheung Kee Ki, was accepted, this contract to take effect on the 1st January, 1907.

186. No enquiry appears to have been made as to who the owners or managers of the Cheung Kee Ki firm were, and on the 4th January a contract was signed by Au Ying Shang and Au Sui Shang as the partners. A few days later, the Principal Civil Medical Officer forwarded this contract to the Chairman of the Commission for enquiry.

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187. The senior officials of the Sanitary Department, when appearing before the Commission, had been informed of the relations of Au Sui Shang and Au Ying Shang with Lo Man Kai in connection with the old contract given in the name of Man Hing, but appear to have been quite satisfied that the Cheung Kee Ki hong had no connection with these people, as the Man Hing firm had also submitted (presumably as a blind) a tender for the small stores contract, which however had not been accepted.

188. The Commissioners are quite unable to understand a system which permits of a Government contract being granted to a firm, merely on the strength of a name and address being given, and without the officials responsible making enquiry as to the identity of the firm with whom it is proposed to sign a contract.

189. In another part of the Report reference is made to the existence of a clique of contractors who by working with certain of the Sanitary Officials are able to prevent outsiders from undertaking certain classes of contracts and are thus able to dictate their own terms to those compelled to employ them.

190. Under the Standing Orders, the enforcement of the law and Bye-laws with regard to Markets, is the duty of the Colonial Veterinary Surgeon.

He has under him two Inspectors of Markets, one for Hongkong and one for Kowloon.

The former is required to visit daily all markets in Victoria, and those outside City Boundaries twice a week.

191. They are responsible for seeing that the lessees comply with the Laws and the Regulations, and that the watchmen and scavengers carry out their duties efficiently.

There is also an overseer of markets, who acts under the Colonial Veterinary Surgeon, and Inspector of Markets.

192. Attention this past year has been called to the dirty state of the Central Market, and the Colonial Veterinary Surgeon admitted that so far as the roof was concerned he was aware of it before he went home on leave, and that it was the duty of the overseer to prevent this.

193. The iron gates were also in a filthy condition and the attention of Dr. Pearse (who was acting Colonial Veterinary Surgeon) was called to the matter.

There can be no justification for this state of affairs with the present staff, and reflects great discredit on the Inspector of Markets for allowing it.

194. There were several structural repairs necessary and the Colonial Veterinary Surgeon, before he went home in 1906, reported them to the Director of Public Works, but apparently nothing was done for a long time.

195. Amongst the regulations, lessees are not allowed to wash and cleanse birds, fowls, &c., in their stalls. We find however that this is to a large extent ignored and the Colonial Veterinary Surgeon says it is on account of the killing room not being large enough for the market requirements; that this has to be allowed to a certain extent, although making the Market insanitary.

196. We therefore recommend that the killing room be at once enlarged on the lines suggested by the Colonial Veterinary Surgeon in his evidence.

Also that the office of Market Inspector be abolished and the overseer be made immediately responsible to Colonial Veterinary Surgeon for carrying out regulations.

197. One of the most unsatisfactory features of the administration is the almost total neglect of the cemetery bye-laws and the cemeteries themselves. Forming an important part of the work of the sanitary officers, as the cemeteries do, they have never received the attention that they should.

198. With the exception of laying out a few terraces and occasionally measuring the new trenches dug by the contractors' men, the officers responsible for the proper enforcement of the law have never for once thought, or even understood, that it was, along with their other duties, incumbent on them to see to the carrying out of those bye-laws, and to ensure compliance with the prescribed sizes of the graves.

199. The Medical Officer of Health thinks it is the duty of the Sanitary Surveyor to exercise supervision, and carry out the law at the cemeteries, while the latter has it in his mind

that the Senior Inspectors, acting under the orders of the former, should attend to them. Even the Principal Civil Medical Officer, as the administrative head of the Sanitary Department, is not clear on whom the responsibility rests, and before the question was raised by the Commission had never issued any instructions in reference to the requirements of the bye-laws, or concerned himself with the conduct and supervision of the cemetery work.

200. As a matter of fact, things have been left entirely in the hands of the so called sextons, who are Chinese coolies paid \$9 per month. These men know just sufficient Chinese to write a few names and numbers, but cannot speak a few words of even "pidgin English." Yet they are made absolute masters of the cemeteries at Caroline Hill and Mount Davis, controlling everything in their own way, and carrying on business there as undertakers, stone cutters and contractors.

201. The sexton at Mount Davis even carries his powers so far as to arrange for remains to be disinterred and removed from one section to another, and undertakes to construct large graves far exceeding the regulation sizes, without the knowledge of the Sanitary Board or paying fees for the extra ground.

202. All these malpractices have been allowed to go on for years without detection, and only quite recently as a result of the investigations held by this Commission, a case has been reported to the Principal Civil Medical Officer by those officers whose duty should be to visit the cemeteries and prevent irregularities.

203. The Principal Civil Medical Officer stated he was satisfied with the explanation given by the Sanitary Surveyor, the Senior Inspector, and the sexton, who endeavoured to shift the blame one on the other, and allowed the matter to drop. The question having been referred to the Commission, we find ourselves unable to endorse this decision. Such an attitude on the part of the administrative head of the Sanitary Department is calculated to have a demoralising effect upon those who are to blame, emboldened as they would be by immunity from censure.

204. As long as these malpractices are allowed to continue, not only will the Government be defrauded of a great deal of land, but the owners of burial sites will also suffer hardship and annoyance.

205. The sexton on duty at the Mount Davis cemetery Lo Chung, is a cousin of Lo Man Kai's. He has been performing dual work as a servant of the Sanitary Department and as the caretaker of the mortuary of the Tung Wa Hospital at Tandy Bay, for which he receives \$18 per month, without the knowledge of the Government. Though in his evidence he has not fully admitted the truth, there are good grounds, for belief that he is guilty of malpractices, having a joint account with the grave diggers under him and another man named Lo Pun, for carrying on business at the cemetery as a contractor, pig rearing and head stone cutter.

206. It was stated in evidence that the Inspector in charge merely visited the cemetery for an hour a week. He measured the trenches without looking into other details, alleging want of time, an excuse which we do not accept.

207. As regards the Inspector's report to the office and the records kept by the office, they are all one and the same, being the translating of the particulars furnished by the sexton, who keeps a rough register in Chinese entered up from memory.

208. There has been no supervision or check whatever. Without asking the sexton, the inspector would not know even the boundaries of the different sections, nor how much ground has been taken up. The sexton can please himself about reporting a burial, as no officer actually checks his returns.

209. Of the cemeteries other than Chinese, no proper plans appear to have been kept. The Sanitary Surveyor is now preparing one for the Colonial Cemetery, instructions to do so having been given him quite recently.

210. The Commission recommend that the Bye-laws be revised where necessary and strictly enforced. That Lo Chung be dismissed and banished, and that in future, a better class of man be put in charge of the Chinese cemeteries.

211. We consider the system under which in the past certain of the cemeteries have been

leased to various religious denominations most unsatisfactory, these cemeteries being under the control of building leases. We are not of opinion that the ordering of all cemeteries and the regulating of the fees should be in the hands of the Government, as represented by the Sanitary and Building Board, as is the case of all unleased cemeteries under the existing Ordinances.

212. The rule however relating to plans of the cemeteries should be strictly carried out. Dr. Clark, as Acting Principal Civil Medical Officer, gave it as his opinion that it was not practicable to have a plan of the cemetery exhibited at or near the cemetery, but stated that a plan in accordance with the Bye-law B. sub-section 12, was kept at the Board Office.

Dr. Atkinson held that a plan could very well be exhibited near the Cemetery, a view which is shared by the Commissioners.

213. As a matter of fact, it does not appear that such a plan, as required by the Ordinance, has ever existed, neither the offices responsible or the Secretary having seen such a one. The only plan of Mount Davis cemetery produced was on a very small scale, and not only did not shew the sections of this cemetery but did not even give the boundaries of the total area.

For all practical purposes, this plan was of no use whatever. The absence of such a plan facilitates the frauds which have been practised at the cemeteries.

214. With regard to certificates for burial, it appears that in the case of the death of a Chinese, the certificate of death is often issued by a Sanitary Inspector, unless there be reasons to suspect (1) foul play, (2) accident, (3) or infectious disease.

We consider that in no case should a certificate of death be issued by a Sanitary Inspector, but that all bodies should be inspected by a medical man.

215. If our recommendations as to the reorganisation of the Department be adopted, we do not anticipate any difficulty in the Medical Officer of Health and his Assistants between them being able to examine all cases as we have referred to.

216. The forms of Notice required to be served to abate Public Health and Building nuisances are given in Schedules D and L of the Ordinance respectively.

The former notice is required to be signed by the Secretary of the Sanitary Board, and the latter by the Building Authority and must be served before any prosecution takes place.

217. The Inspectors are in the habit, with the apparent approval of the Sanitary Department, of issuing what is termed a "small notice," which they fill in and sign themselves and leave on the premises calling attention to anything which they consider a nuisance and requesting its abatement.

218. If such notice were confined to nuisances over which the tenant has control and are caused by his default, no objection can be taken to this procedure, but to save themselves trouble, Inspectors will often address these notices to the owner, and leave them with the tenant for him to give to the owner, which is distinctly out of order, as the law provides that notices for the owner shall be served on the owner.

In many cases notices to abate nuisance have been addressed to and served on the wrong owner.

219. The Chinese complain that the notices are not explicit enough, and if they ask the Inspectors' Interpreters they often say that more is required to be done than is specified in the notice.

220. In cases where notices to abate nuisances are not complied with, a second notice is usually served, but in a large number of cases, this notice has not been served until the work has been completed.

221. We recommend that all notices should bear the name of the reporting Inspector, and the date on which the Inspector reported the nuisance.

222. Also that, as we believe a very large number of notices have been issued calling upon owners to do more than is required by law, a paragraph should be added that in case of the person named in the notice being dissatisfied with its requirements, they shall at once report it to the Secretary of the Board, and that it shall be this Officer's duty to keep a record of

such complaints and immediately lay it before the Board or any Committee of the Board appointed to review such complaints.

228. We also recommend that a paragraph be inserted on each notice that if any officer asks for any donation, either money or goods, that the person receiving the notice shall at once report the same as is provided for in the preceding paragraph.

224. We think that the present system of prosecutions for offences under the Public Health and Buildings Ordinance requires amendment, as the power of prosecution is virtually in the hands of the Sanitary Inspectors, for although before an application for a summons is issued, the Medical Officer of Health or Building Authority is supposed to approve of same, it does not appear that either of these officers makes any inspection to see the application is justified, other than taking the inspector's word.

225. In some cases the wrong person has been summoned, and although that error has been pointed out to the Inspector, the defendant at much personal inconvenience and annoyance has been compelled to attend the Police Court. A particular case in point was the prosecution of Mr. Dady Burjor by Inspector Reidie, who was distinctly told by Mr. Burjor that he was not the owner, and was requested to verify that statement by reference to the Land Office. Inspector Reidie declined to do it, saying it was not his business. The Magistrate very properly dismissed the case.

226. In cases of prosecutions for not white washing satisfactorily, it is generally the contractor who attends the Police Court, and not the person summoned. The word of the Sanitary Inspector alone is taken, and the defendant or contractor is generally advised to admit it, and we feel that if "the squeeze" by the Inspector which had been asked for had been paid, no prosecution would have followed.

227. In one case the defendant was summoned although he wrote to the Sanitary Board saying he had done the work twice 20 days previously, and no reply was received. When he attempted to state his case before the Magistrate, the Interpreter told him not to make trouble, and he was convicted.

228. In another instance a man was prosecuted and fined, not, we believe, because the work had been improperly done, but because he had not employed the contractor recommended to him by the Inspector.

229. No convictions should be obtained unless the Sanitary Inspector's evidence is corroborated by the Medical Officer of Health or the Executive Engineer.

230. In cases where a defendant has to employ legal assistance and expert advice, and the Magistrate does not convict, the defendant should be allowed cost. In many cases, where the evidence has not been strong enough to convict they have been adjourned, *sine die*, and nothing more has been heard of them. We recommend that after three months such cases should be struck out, and dismissed.

231. We also recommend that in no case should a prosecution be allowed unless a notice to abate the nuisance has been served on the owner or occupier, in order that the defendant may have the opportunity of either doing the work required, or of appealing to the Board for exemption or modification of the requirement.

232. In view of the difficulty experienced by Chinese of moderate means in securing house accommodation for their families at reasonable prices, we would suggest to Your Excellency the advisability of considering whether it could not be possible in part to meet the difficulty occasioned by the abolition of cubicles by the framing of special rules for native houses.

233. These houses to be confined to one, or not more than two, stories, to be of cheap construction, and while built on sanitary principles, to be less costly than is entailed by the present building regulations.

234. One advantage would be that one or two families could share a house and while thus ensuring greater privacy at a reasonable rate than is now possible the present excessive overcrowding in the four storied houses in Victoria would be prevented.

235. The system has for many years worked very well in Shanghai where two classes of building regulations are in force, (a) one for Chinese buildings which are limited to two

stores, and (b) the foreign buildings regulations which apply to all other classes of building, private or otherwise.

Copies of the Shanghai Municipal Rules are attached, and we believe that were some such system adopted here, much good would result.

236. We are of opinion that should such a change appear desirable, no time should be lost in considering the matter, in view of the great extension of building more particularly in the Kowloon peninsula, which we anticipate will take place in the immediate future.

237. In order to encourage the erection of this type of houses, it might be worth while for the Government to put up land for sale at a low figure on the condition that only houses of this type be constructed thereon.

238. From enquiries made, we gather that considerable irritation to the public is caused through the thoughtless and inconsiderate manner in which the right of entry under this Ordinance is carried out.

It is obvious that such a right must exist in order to detect nuisances and prevent overcrowding but it is equally clear that the greatest tact should be exercised in the carrying of this provision.

239. Instead of this it appears that as regards day visits for nuisances most of the Inspectors and subordinate officials of the Department do not even go through the form of asking permission to enter a house. Instances have been quoted where in the houses of well-to-do Europeans these men enter without permission, or by merely notifying their intention to do so to some coolie whom they may meet in the servants' quarters.

240. With regard to Chinese dwellings of all classes, this disregard, for the feelings and rights of the householder is even more marked.

It is the universal custom in China that a visitor on arriving at the door of the dwelling should call out in a loud voice announcing his presence, and asking permission to enter. The omission to do so even on the part of a friend would be considered a grave breach of manners, and even to the coolie class would be most repugnant.

241. Instead of this Sanitary Inspectors frequently enter a house during the day time without warning and even go into the women's quarters quite as a matter of course, and as though they were armed with a search warrant. The subordinate servants such as rat catchers and others presuming on this also force their way into houses set traps where they will and threaten the owners with prosecution if they are moved.

The average Chinese, particularly of the lower orders, are too ignorant of the law and in too great a fear of all Sanitary Officials to question their authority.

242. There is abundant evidence to shew that this constitutes a grave scandal and causes much resentment against the working of the Ordinance.

This action on the part of the Officials is no doubt in a large measure due to thoughtlessness and a want of proper appreciation in the manner of carrying out their duties, but with regard to the lower grades it would appear that authority is assumed in many cases with a view to obtaining bribes or venting spite against those who have refused to be blackmailed.

243. With regard to night visits for the purpose of checking overcrowding, a separate permit should be issued for each house, and the date the house is to be visited should be filled in when it is issued. Under section 27, sub-section 2, an inspecting official visiting a house to ascertain whether a nuisance exists has to produce an order to the occupier of the premises. If this is required during day time, how much more necessarily should it be at night, and yet if a number of houses are included on the one order, it is impossible for the officer to produce a separate order for each house visited.

244. Recently a system has been introduced by which a number of houses are included on the one order the date being left blank, and subsequently filled in by the Inspector often after inspection. This appears to have come into force during the recent absence of the Principal Civil Medical Officer on leave.

245. The excuse given for leaving the date blank, viz. that information would be divulged that certain premises are to be visited on a given date, does not appear to us to be sound, for if

these documents, as they should be, were sent in closed covers to and fro between the Medical Officer of Health's office and the Inspector, there should be no opportunity for the Chinese clerks or other employees of the Department to obtain information which they could communicate perhaps for a pecuniary consideration, to those interested.

246. Although we believe the principle has been admitted that the Sanitary and Building Regulations shall not be strictly enforced in outlying Districts, it appears that special provision for this might with advantage be made when revising the existing Ordinances.

247. While it is admitted that the Building Regulations should be fully enforced in the crowded parts of this city, it is equally clear that great hardship would be entailed on the poorer class of Chinese, were this insisted upon in the villages and scattered homesteads.

248. A case of this nature has been especially reported to the Commission by the Revd. Mr. Fong, to which we would call Your Excellency's attention. Mr. Fong stated that a petition had been presented by the people of Kowloon pointing out the hardships which were entailed by a too strict enforcement of the regulations, and as at that time the petition had not been acknowledged, the Commissioners promised Mr. Fong that this question would be specially brought to Your Excellency's notice.

249. The constantly increasing expenditure of the Sanitary Department has not unnaturally attracted a considerable amount of the public attention. The annual amount spent in this Department has largely increased of late years, but the gain to the Colony has not been commensurate with this enormous expenditure.

This increase is chiefly due to the steps taken to eradicate bubonic plague in the Colony.

250. In spite however of all efforts plague has not decreased, but varies according to the climatic conditions of the season as well as the season itself, in much the same ratio as in Canton, where no steps are taken to deal scientifically with this scourge.

251. It is open to question therefore whether considerable saving might not be effected without in any way impairing the sanitary condition of the Colony. This however is a debatable point, and is probably more a matter of policy than of the administration.

252. The financial question has in part been dealt with under other headings, such as Accounts, Disinfectants, &c. But there is throughout the Department a general want of system and proper supervision, which would not be permissible in an ordinary business firm, and which must lead to undue waste and extravagance.

253. The Estimates as now framed are drawn up by the Administrative Head of the Sanitary Department in consultation with the Medical Officer of Health. It is claimed that he alone is responsible under the terms of Ordinance 23 of 1903 for this work. And the senior Officials of the Department have all stated in evidence that if the Board as a body has been consulted with regard to the Estimates, this is only as a matter of courtesy, and not that they have a right to be so consulted.

254. On two recent occasions the Board one year was asked to pass the Estimates extending over many pages and amounting to some \$400,000, at a minute's notice, and without any time being given for their consideration. The next year even the form of submitting the Estimates to the Board was dispensed with.

255. The Estimates of the Sanitary Department form a very important item in the Colonial Budget, and as such it is fitting that the Sanitary Board should have full opportunity of considering and discussing them before submitting them to Your Excellency.

256. Under existing conditions, it would appear that the ratepayers though directly represented on the Sanitary Board have no more control over the expenditure of the Sanitary Department than the ordinary tax payer has over the expenditure of any Government, that is to say that the sole opportunity offered for discussing the Estimates is when the Budget is presented to the Legislative Council. This right of control so far as the Sanitary Department is concerned, formerly possessed, has been taken away by the passing of the Ordinance 23 of 1903.

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257. Nearly half a million dollars per annum are expended by the Sanitary Department, yet no proper books are kept in the Department of this vast expenditure. There is neither a journal nor ledger and the so called cash book is merely an apology for the name, and for all practical purposes is merely a replica of the Bank pass book. The smallest firm in Hongkong could not conduct its business satisfactorily with such books, and it is probable that many individuals keep much better records of their own private affairs.

258. It is true there are a few auxiliary books. For instance, the stock keeper keeps a stock book and the Secretary keeps a delivery order book, but as there is no check on these, such as would be the case if a proper journal and ledger were kept, they are almost valueless as a protection against abuses.

259. As regards the stock books kept at the District Offices, the Secretary said: "As a matter of fact I have never seen these accounts (stock books). When I want any information, I have always had it, therefore as far as I know, the store accounts are kept".

260. It would be impossible without turning up files of old papers, vouchers and delivery order counterfoils (which are easily lost or destroyed) for an auditor to know what sums of money were owing to or by the Sanitary Department.

261. All the correspondence of the Department, unless marked confidential, has been first opened and read by a Chinese clerk before being passed on to the Secretary. Another Chinese clerk has been in the habit of translating contractors' accounts and rendering their bills for them to the Department in English. The possibility of abuses under such a system is obvious.

262. Further, the same clerk has been in partnership with one Au Sui Shang carrying on business under the name of the Man Hing. The Man Hing shop was started with the sole object of obtaining the Sanitary Department contracts and did obtain the small stores contract. The small stores contract was formerly held by Lui Chi. As Lui Chi would not allow Lo Man Kai a share of the business, the latter arranged a partnership with Au Sui Shang and obtained the contract. Subsequently \$200 or \$300 was paid by this partnership trading as the Man Hing to Lui Chi "to induce him to retire from the field and not tender again". The Man Hing firm were always able to retain the small stores contract because Lo Man Kai, knowing the lowest tender, was in a position to tell Au Sui Shang to what extent (if any) his tender should be reduced.

263. The fact that the Man Hing, a shop with virtually nothing but a signboard as their stock-in-trade, that is to say middle men pure and simple, being able to undersell the very persons from whom they bought the goods should have awakened suspicion, and points to jobbery in the way of short deliveries. The Secretary did in fact get as far as "wondering how they could supply the goods at the prices." The same clerk (Lo Man Kai) was also a partner with Sam Iu who held the scavenging and conservancy contract at Yaumati, (Sam Iu being formerly a scavenging coolie) but subsequently sold his share of the business to his partner the said Sam Iu. Soon after the Commission commenced sitting, Lo Man Kai absconded.

264. It frequently happens that Inspectors recommend the quantity of stores to be ordered as well as the source of supply, and their requisitions initialled by the Medical Officer of Health are signed by the Secretary or chopped with his chop. Having got their requisitions signed or chopped, the Inspectors frequently obtain delivery direct from contractors. The Secretary's chop is left lying about the office during office hours. Here again the possibility of abuse is obvious. Although there is no evidence to show that such has been the case, under the existing system there is nothing to prevent an Inspector only taking delivery of part of the goods specified in such requisitions and receiving a monetary consideration from the supplier for the undelivered portion. There is no check of any kind other than a possible casual enquiry by the Medical Officer of Health or the Secretary.

265. The Acting Principal Civil Medical Officer claimed to supervise all payments, but said they did not pass through his hands. He

would know the money voted by the Legislative Council had been spent, but would not know how it had been spent.

266. The Principal Civil Medical Officer also claimed to supervise all payments but admitted in the earlier part of his examination that proper books were not kept. He had had "to complain of them over and over again". Subsequently he qualified this statement. Under all the foregoing circumstances, it is not difficult to conceive that corruption would be rife, as it was rife in the very heart as it were of the Department.

267. The Principal Civil Medical Officer claims to be the administrative head of the Sanitary Department but there is nothing in the evidence before the Commission to shew in what way this has been effective. Under the Public Health and Buildings Ordinance No. 23 of 1903, his powers have been made almost despotic while the functions of the Board itself have been whittled down to those of an Advisory Committee. He therefore cannot lay any of the blame for the existing state of affairs on the shoulders of the Board.

268. To quote from the Landowners Petition to His Excellency the Governor, dated 26th September, 1902, "With an ideal man (whose successors at least could not be assured) a despotic system may be the most convenient as it is otherwise certainly the worst."

269. The Assistant Secretary should be a man with some commercial training, preferably a book-keeper, and should be of British race.

270. Finally, we recommend that proper books, that is, a cash book, journal and ledger be kept. Also as an auxiliary book one containing complete records of all contracts for materials supplied to or sold by the Sanitary Department and all moneys and goods disbursed or received thereunder.

271. The store keepers should furnish the Secretary with a weekly return of all goods received by them as well as those delivered by them to the different Inspectors in the Health Districts which they supply. A summary of these returns should be passed through the journal and ledger at least monthly so that the Secretary may be in a position to know, at any time, what quantities of the various kinds of stores are or should be in hand.

272. The Department should acquire all its own stores and distribute to the various depots. On no account should Inspectors be allowed to make direct requisitions on contractors.

273. That all correspondence be first opened by the Secretary or the Assistant Secretary. That the use of a chop be discontinued, and that the composition of the staff in all the more important posts be entirely reconsidered.

274. At a meeting of the Sanitary Board held on 17th December, 1903, Dr. Atkinson, who presided, moved:—

"That the revised Standing Order be made by the Board under section 14 of the Public Health and Buildings Ordinance 1903."

This was unanimously agreed to.

On the 31st December, 1903, the minutes of the preceding Meeting embodying the above resolution were confirmed.

275. There were two sets of Standing Orders submitted and passed:—

1. For the regulation of procedure of Board.
2. For the guidance of officers and servants.

It is with regard to the latter that we desire to report.

By sub section No. 1 of section 14 of Ordinance No. 1 of 1903, the Board had power to make Standing Orders for the guidance of its officers and servants, but in section 5 of Ordinance No. 23 of 1903, repealing part of above mentioned sub-section No. 1 of section 14 of Ordinance 1 of 1903, the words giving the Board the power to make such Standing Orders were omitted.

276. The question arises whether it was the intention of the Legislature to take such power away.

The Attorney General said by the Amending Ordinance it was only to recognise by Statute the Department which already existed.

277. It seems clear that Dr. Atkinson, who was conversant with all amending clauses, and was the principal promoter of the Amending Ordinance, never contemplated that the Board's power to make such Standing Orders and enforce them had been taken away by the Ordinance, or he would never have asked the Board on 17th

December to make Standing Orders which a Statute which had been read a third time and passed the Committee stage, before he submitted the Orders to the Board, would deprive the Board of the power of making or enforcing them.

278. In further proof of such conclusion, Dr. Atkinson submitted the Standing Orders, which had been passed, for confirmation by the Board on 31st December, whereas the power had, he says, been actually taken away on the 19th December.

Copies of these Standing Orders were printed and circulated amongst the Members of the Board, making them believe they were operative and enforceable by the Board.

279. On 12th June, 1906, Dr. Clark, as President of the Sanitary Board, in reply to a question, said whether or not these Standing Orders could be enforced by the Board was a technical question, which he should like to refer to the Law Officer of the Crown to give a definite ruling on.

280. At the following Meeting of the Board the President, Dr. Clark, said:—That the Standing Orders made by the Board in 1903 could still be enforced, but only so far as such Standing Orders related to regulations or procedure at Meetings of the Board.

Standing Orders for the guidance of officers and servants of the Sanitary Department were now administered by the Principal Civil Medical Officer as administrative head of the Department.

281. The above opinion must have greatly surprised Dr. Clark, and as President of the Board he was apparently unaware that these Standing Orders had to be administered by himself, as he told the Commission on 30th May that the Sanitary Board had authority over all officers and servants of the Sanitary Department, and they were all under the Sanitary Board. He specially mentioned the Medical Officer of Health, as Chief Executive Officer might be directed by the Board.

282. Dr. Atkinson says the submitting of the Standing Orders to the Board in the first place was an oversight, and that he did not submit them, because he thought the powers had been taken away. That is hardly consistent with his next answer to the effect that he was in doubt at the time, else he would not have submitted them to the Board. Dr. Atkinson also says that there was a doubt in Dr. Clark's mind as to whether the Board could enforce these Standing Orders. He never informed the Board of the change which the passing of the new Ordinance had with their issuing and enforcing Standing Orders, although he said he had no doubt in his own mind as to the matter. Shortly after the passing of the Amended Ordinance, he did put the question to the Attorney General.

283. We are of opinion that the Board must have full power to order and direct the officers and servants to carry out their orders, which orders should pass through the hands of the Secretary, whose duty it should be to see them carried out.

284. It appears to the Commissioners that considerable laxity has existed in the past as to the amount of supervision given to the subordinate members of the Staff more particularly with regard to outdoor staff.

There does not appear to have been any particular rule laid down and it has been left to the individual Medical Officer of Health to act in this matter as he considered best.

285. While holding the position of Medical Officer of Health, Dr. Pears appears to have devoted a considerable portion of his time, as much as could be spared from his other duties, to personal supervision of the work done by the Inspectors. On the other hand, we have it on Dr. Atkinson's own evidence that up to recent date Dr. Clark as Medical Officer of Health rarely left his office, practically giving little or no supervision to the work of his subordinates.

286. We understand that this state of affairs has to a certain extent since been modified, but the fact remains that the excessive powers given to the Inspectors, coupled with insufficient supervision, resulted in considerable laxity on the part of the Inspectors as to the execution of their duties, and is responsible in a great measure for the corruption which exists.

287. Evidence has been given to the effect that some of the Inspectors taking advantage

of the position are absent from their posts at a time when they should be on duty, while unquestionably a considerable amount of corruption which so freely obtained, at all events up to the date of the appointment of the Commission, could only have existed through want of more thorough supervision by the senior officials of the Department.

288. The Inspectors having thus in some cases become negligent of the duties, it has been possible for their interpreters, foremen, rat catchers and others under them to take advantage of the position to their own profit.

289. In a later section of this Report, we have outlined the division of work as we consider it should be carried out, and indicated in what direction we think reform can be effected.

290. At the time of the appointment of this Commission, it was frequently stated that the Senior Officials in the Sanitary Department strenuously denied the existence of any general corruption amongst their subordinates, though admitting a few such cases might possibly be found amongst the native section of the staff.

291. During the prosecution of the enquiry, however, three inspectors have been dismissed from the Government Service, and three more suspended.

In addition, the senior clerk and one subordinate clerk in the Sanitary Department have left the Colony without leave, and have consequently been dismissed, while three clerks have resigned and left the Colony, as have also one foreman and a foreman interpreter, and another has been dismissed.

Two interpreters have absconded and three interpreters and two foremen have been dismissed for being absent from duty.

One watchman has been convicted of bribery, and sentenced to two years imprisonment, a total of 22 members of the staff, while the case of another Inspector is still under the consideration of the Government.

Several of the above were unquestionably implicated in cases of bribery, others are under suspicion, and the rest no doubt had similar reasons for removing themselves from the jurisdiction of the Hongkong Courts.

292. As already stated, further cases of bribery or blackmailing have been brought before us, which time alone does not permit of our investigating, but we might mention that in the course of our investigations, it transpired that the senior Chinese sergeant of the Water Police had been in the habit of demanding blackmail from the scavenging contractor. This man has since absconded.

Attached to this Report will be found a list of those officials of the Sanitary Department who have been referred to in the evidence taken by the Commission.

293. It must of necessity be the case that a considerable number of complaints, well founded or otherwise, are received by the Sanitary Department in the course of a year, and it appears to us very desirable that a special record of these be kept in the Secretary's office. These complaints should be carefully investigated by the senior officer of the sub-department to which the complaint refers, and the decision of that official, together with all evidence collected on the subject, should be filed, and laid before the Board.

294. We find that in the past a number of complaints have been made, of which no record can be produced, while the general system of making enquiries has been so defective that a very real grievance exists against the Department, and so far, at all events as the Chinese are concerned, frequently the complaints have been dismissed without proper investigation by the higher officials of the Department.

295. In consequence, the feeling has gradually been produced in the community generally, that it was idle to complain, and a serious check has thus been placed upon the harmonious working of the Ordinance, without which the proper carrying out of the provisions of the law is well-nigh impossible.

What is really required is some simple form of appeal.

296. The regulations governing the question of presents given to Officials are of course thoroughly well known, but we feel it incumbent upon us, despite this fact, to make especial reference to the subject as the regulations appear to be very generally ignored.

297. Setting aside all question of bribery, which comes under another, and entirely different, category, there are however forms of presents which though apparently harmless are nevertheless not only contrary to Government regulations, but must tend to weaken that position of strict integrity which should be maintained by an official.

298. It appears that certain of the officials do accept presents of game, fruit, or even regular allowances of meat, at other times than at Christmas, and though we do not suggest that in all cases there is any illicit gain thus made by the giver at the public expense, still the custom is most reprehensible and is rightly forbidden by the rules of the Service.

299. Another form of present is the providing of free steam launches. This appears to be a far more common practice than is generally supposed. Certain contractors do supply such launches for picnics, bathing parties, or for people to go on board steamers in harbour. Special evidence has been given that Sam Ju is in the habit of regularly hiring launches for the use of Sanitary Inspectors for such purposes.

The public rates charged for the hire of launches are in themselves sufficient to show that the expense incurred by a contractor for supplying such launches is not inconsiderable, and it is evident therefore that those making such a sacrifice would naturally expect some quid pro quo.

300. Attached to this Report will be found a brief history of Sanitary Administration in the Colony, drawn up by one of the Members of the Commission.

The Commissioners consider that in order full and fitting consideration be given to the recommendations we now submit to Your Excellency with a view to placing the working of the Sanitary and Building Regulations in this Colony on a more satisfactory basis, that the history of the Sanitary movement in Hongkong should be understood.

301. The compilation of this memorandum has taken considerable time, but we believe as now set forth, it clearly outlines the policy adopted by succeeding Governments towards Sanitary Administration.

302. The Report speaks for itself, but the chief point to which we would draw the attention of Your Excellency is that while the existing Ordinance as amended by No. 23 of 1903 has placed the whole control of the Administration of the Sanitary Department in the hands of the Principal Civil Medical Officer, reducing the Sanitary Board to something even less than a Consulting Committee, the general tendency of legislation for years past has been to gradually give the rate-payers of Hongkong an increasing say in Municipal matters, thus in a manner compensating for the fact that under the rule of a Crown Colony they are practically in the hands of the Government, as representatives of His Majesty, through the Secretary of State.

303. This principle of a very modified form of self Government was sanctioned many years ago by the then Secretary of State for the Colonies, and up to the present date no doubt many of the ratepayers in the Colony believe that they still are represented in what is the Municipal Government of Hongkong by the unofficial Members of the Sanitary Board.

We now know from evidence given before the Commission that this belief is entirely illusory.

304. The President of the Sanitary Board claims that he is the sole head of the Department within the terms of Ordinance 23 of 1903, and that it is only in certain comparatively small matters or as a matter of courtesy, that he consults the Board as to the working of the Department, or even keeps them informed as to what is taking place in the Department. All matters relating to finance, the control, appointments, promotions, &c. of the staff, conduct of business between the Board Meetings, and the ordering of the daily work of the Department being outside the jurisdiction of the Sanitary Board.

305. Under the Amending Ordinance, the Members of the Commission do not dispute the correctness of the attitude taken up by the Principal Civil Medical Officer. They feel it however their duty to point out that not only has such a change been brought about without the public being clearly informed as to what

the real result of the passing of this Amending Ordinance would be, by which they were practically disfranchised from such share as has been enjoyed for years past in the Municipal Government of the Colony, but further that the result of this new legislation has not carried out the anticipations of the promoters, or by an improved service justified its inception.

306. The Principal Civil Medical Officer who was, we understand, largely instrumental in formulating the Ordinance 23 of 1903 has stated in evidence, that finding the new Ordinance No. 1 of 1903 unworkable, he came to the conclusion the only means by which the Sanitary work of the Colony could be carried out satisfactorily was either by the formation of a Municipal Council, or by reducing the Department to a purely Government Department, taking away from the Sanitary Board such control as had been vested in it for close upon 20 years, and which was confirmed so late as 1903 by Ordinance No. 1 of that year, transferring this power entirely to the Principal Civil Medical Officer, who as President of the Board should have supreme control over the Department, and be its Administrative Head.

307. The Commissioners wholly dissent from the views expressed by the Principal Civil Medical Officer in this matter.

In the first place, we do not consider that sufficient time or opportunity had been given to fairly test the working of the new Ordinance before this drastic change was instituted.

Secondly we cannot agree that the alternative lay between a Municipality and a purely Government Department.

308. We consider that the conferring upon the Principal Civil Medical Officer of almost despotic powers has certainly been an unhappy experiment, the continuance of which we cannot recommend.

309. Without going into the question as to whether a Municipality is or is not feasible, and if so, desirable, in this Colony, we at once reject the views of the Principal Civil Medical Officer as given in his evidence, and we now lay before Your Excellency a scheme by which we believe a perfectly satisfactory result can be obtained.

310. In our opinion, the Sanitary and Building Regulations can be carried out with perfect satisfaction both to the Government and the Public, were the matter once placed on a proper and systematic footing, provided duly qualified officials be appointed to carry out the various duties entailed under the Ordinance, much in the same manner that similar work is entrusted to the Municipal Authorities of large cities in England, or in other Colonies.

311. We would suggest that the Administration of the Public Health and Building Ordinances be entirely separate from the Public Works Departments.

The latter should still keep control of such work as water supply, public roads, sewers, &c., but all matters relating to Sanitary affairs, nuisances and actual construction or alteration of buildings should be entirely transferred to the Sanitary and Building Department, such Department to be divided into four sections.

(1.) There should be a Secretarial Department, the Secretary being co-equal with the heads of the other sub-departments, but having the right to control the entire correspondence, and be kept fully advised as to all that is taking place, in exactly the same way that a Secretary to a Home Municipality, or of a large Company, is the centre of all information.

(2.) The Medical, having at the head, the Medical Officer of Health, with Assistant Medical Officers of Health.

(3.) The Engineering Section, with an Executive Engineer, Assistant Engineers, and Overseers, as may be found necessary.

(4.) The Veterinary Department, under the Colonial Veterinary Surgeon, with supervision of markets and food supplies generally.

313. The whole Department to be controlled by a Board formed of four official and six un-official members, as at present, who shall have the complete ordering of the Department, re-

commend to the Governor all promotions or changes and alterations in the staff, and be accountable to His Excellency for the expenditure of the funds voted by the Legislative Council.

314. The Official Members to be the Principal Civil Medical Officer, the Director of Public Works, the Captain Superintendent of Police, and the Registrar General.

315. The Governor to have the appointment of two unofficial Members from amongst the Chinese community and two from among the British community.

Of the latter, one might be the Principal Medical Officer, but in the event of His Excellency deciding to place this Officer on the board, it should be distinctly understood that he takes his seat as an unofficial member, entirely unconnected with and uncontrolled by the Civil Government of the Colony.

Two unofficial Members to be selected from the British community, to be elected as at present by the rate payers.

316. The working of Ordinance No. 1 of 1903 was, no doubt, to a great extent handicapped by the fact that while the Medical Officer of Health was actually the Medical Adviser to the Board, his professional, or rather technical advice could be overridden by the opinion of the President of the Board, who as Principal Civil Medical Officer was his superior officer in the Medical Department of the Civil Service.

317. This state of affairs must inevitably lead at times to a certain amount of friction, and we would strongly urge that the Principal Civil Medical Officer under no circumstances be President of the Board. The post of President might we consider with advantage be left to the decision of the Board, the President to be elected annually.

318. After careful consideration of the question, and (at all events, as far as some of the Members are concerned) some years' personal experience on the Sanitary Board, we are forced to the conclusion that in view of the nature of work demanded of the Sanitary Department, the post of President of the Board should not under any conditions be held by a medical man.

319. The Secretary, Medical Officer of Health, Executive Engineer, and, when necessary, the Colonial Veterinary Surgeon should attend the Meetings of the Board, but have no vote.

320. All decisions or instructions from the Board to be conveyed in writing to the respective heads of the sectional departments, through the Secretary, though all communications from officials or servants of the Board are to be made to the Sanitary and Building Board. The Board to have entire control, and to make arrangements for the conduct of business between its Meetings.

321. The existing position of the Secretary as now defined by the Government Officials who have given evidence before the Commission on this point, is that the Secretary acts in the capacity to the Board only, while he is merely a Chief Clerk and Accountant to the Department.

322. The President (as Head of the Department) carries on such Departmental correspondence as he considers fit, without necessarily informing the Secretary of what is being done, while the subordinate officers of the Department do not appear to consider that the Secretary is in any way their superior officer.

323. An instance has been given where an Inspector refused to go to the Secretary's office, when a message was sent to the effect that the Secretary wished to see him, unless a written order was received from the Medical Officer of Health. From this, it is evident that the Secretary does not at present hold the position or have the proper authority which we consider should be vested in such an appointment.

324. There is throughout the working of the Department, both as carried out in practice and as provided for in the Amended Ordinance, such an entire absence of system, to say nothing of discipline, that it is difficult to lay down clearly the duties of the individual officers of the Department, and in our opinion the only means possible by which the Department can be placed on a satisfactory footing both as regards the work of the Government and the interests of the public, who are so greatly

affected by the Ordinances, is to have them recreated and the Department placed on a regular business basis, as would have to be the case in a Municipality.

325. The present Administrative Head of the Department has very many important duties to perform.

He is a Member of the Executive Council, and as Medical Adviser to the Government and Head of the Medical Department, has the supervision of a large medical staff, the Government Civil Hospital, with branches of maternity hospital and infectious hospitals, the asylum, gaol, bacteriological departments, and Victoria Mortuary, and is, as is well known, not only liable, but is actually called in to act as Consulting Surgeon to the above Establishments. He is further permitted to engage in a private consulting practice.

326. The work of the Medical Department has greatly increased of late years and will undoubtedly continue to increase in the immediate future, with the steadily growing necessities of the Colony, the present annual expenditure being nearly a quarter of a million dollars.

327. In addition to the above, the Principal Civil Medical Officer is resident Surgeon of the Chief Hospital in the Colony for women and children, containing 40 beds, and where simultaneously several confinement cases may, and indeed at times do, claim his attention. This Hospital is in itself sufficient occupation for one surgeon.

328. The Principal Civil Medical Officer should under ordinary occasions have a certain amount of leisure time so that in the event of an epidemic breaking out, or some other sudden demand being made upon him, he shall have sufficient time to spare for this work, without having to neglect or pass over to others a portion of his regular duties.

Moreover, the Principal Civil Medical Officer has now by the passing of Ordinance 23 of 1903 been placed as Administrative Head of one of the largest and most important Departments in the Government of the Colony, with annual expenditure of close upon £500,000 and a staff of upwards of 60 members, exclusive of a large number of clerks, and of coolies and day to day employees.

329. The Public Health and Buildings Ordinance is one of the most important enactments ever introduced into our Legislature, in the satisfactory carrying out of which depends the comfort and even the prosperity of every individual member of the community.

330. Humanly speaking, it is demanding more than the powers of any one man to carry out these multitudinous duties satisfactorily, and at the same time, as Administrative Head, give that constant and close supervision to the Sanitary Department, which its proper working demands.

331. We have been told in evidence in justification of the system we condemn that this obtains in Singapore and other Crown Colonies.

We may therefore be excused from referring to the state of affairs as existing at the present in our sister colony.

332. The whole of the Sanitary work of Singapore is in the hands of a Municipality with a self contained and competent staff. With this, the Principal Civil Medical Officer has nothing whatever to do. That official does not hold a seat on either of the Councils, but he is head of the whole Government Medical Department, and as in Hongkong, controls the Hospital, Asylum, Gaol, and Quarantine Stations.

333. Before proceeding to detail our proposal with regard to the working of the Sanitary and Building Department, as above outlined, we will give a summary of the Staff as now divided between the Sanitary Department and the Building Authority.

In this summary, we have included all the European employees, interpreters, market and building overseers, and the like.

The number of Chinese clerks, coolies, &c., will presumably be the same as at present, if our proposal be adopted, but experience might shew that a saving here could be effected.

334. SANITARY DEPARTMENT.

Secretary £ 585
Assistant secretary and principal clerk 270

Medical officer of health	630
Two assistant medical officers of health	1,105
Colonial veterinary surgeon	520
Two sanitary surveyors	855
Seven senior inspectors	2,096
Three first class inspectors	740
Eleven second class inspectors	2,065
Five third class inspectors	900
Five plague inspectors	1,404
One market inspector	215
Three inspectors holding acting posts	768
Two market overseers	218
Seventeen interpreters of inspectors	1,040

£13,411

BUILDING AUTHORITY'S STAFF.	
Executive engineer	£ 480
Assistant engineer	270
Three overseers	765
One draughtsman	180

£15,106

The above figures are the actual salaries at present paid, exclusive of allowances.

335. The following tables shew the staff which we consider would be necessary for carrying out our proposed scheme.

In framing this, we have experienced some difficulty in making a fair comparison between the salaries of the various grades, and we have therefore taken an average of existing salaries as a basis for our calculations.

336. STAFF UNDER NEW SCHEME.

Secretary	£ 6.0
Assistant secretary	400
Medical officer of health	630
Four assistant medical officers of health at £150	2,200
Inspectors: ten Victoria, two Kowloon, at £250	3,00
Five plague inspectors at £275	1,375
Prosecuting inspectors (to be abolished)	250
Inspector in charge of cemeteries	250
Inspector in charge of burials	250
Two inspectors in charge of dis-infecting stations	500
Executive engineer	630
Three assistant engineers at £400	1,200
Five overseers at £250	1,250
One draughtsman	180
Colonial veterinary surgeon	630
Two market inspectors (to be abolished)	500
Two sanitary surveyors (to be abolished)	500
Two cattle depot inspectors	500
Interpreters for the whole department. Fifteen at £61	915

£ 14,541

shewing an estimated saving of some £570 per annum.

337. It will be noticed that in order to place the Heads of the Sub-Divisions of the Department on an equality, we recommend the same rate of pay for the Secretary, Medical Officer of Health, Executive Engineer, and Colonial Veterinary Surgeon.

338. The general principle which has guided us in drawing out this scheme is that there have in the past been too large a number of Inspectors and subordinate officers of the Department, we may say an unnecessarily large number, and not sufficient senior and qualified officers to give proper supervision to their work. Under the system of Senior and District Inspectors, a good deal of work was done twice over, but by a proper systematising of the duties of the various members of the Staff, the work can be done by a smaller number of men.

339. The Senior Inspector system has, we consider, proved a failure. These men have not as a body proved themselves reliable, while a good deal of friction has unquestionably arisen between them and their immediate subordinates, the District Inspectors.

340. We consider a far better result would be attained were each District to be under the control of one man, who deals direct with the Secretary, the Medical Officer of Health, or the Executive Engineer, as the case may be; the last two of whom, with their assistants, will be able to regularly visit their District Offices and advise the Inspectors as may be found necessary.

341. All reports from the District Inspectors to be sent direct to the Secretary and to be opened either by him, or by the Assistant Secretary, who will pass on such papers as may be desirable, to the Heads of the Sub-Divisions of the Department.

342. We suggest the abolition of the post of Prosecuting Inspector, as this officer rarely has any personal knowledge of the case in which he appears.

Under an improved system of supervision, where the Medical Officer of Health or Engineer can personally inspect nuisances, we believe the number of prosecutions will greatly decrease, thus removing a very constant, and in many cases, a very real source of grievance among the Chinese. The District Inspector will consequently be able to conduct his own prosecutions.

343. We have provided as at present for twelve Districts, but experience may shew that it would be better to reduce the size of the Districts, making twelve in Victoria, and three in Kowloon.

344. With the growth of the population in Kowloon, the latter change will in any case probably have to be made before long. For the same reasons we have put down two Inspectors to be in charge of burials and cemeteries; at present, we understand, this work is done by one man.

One of the difficulties in drawing up our scheme was experienced in connection with the Plague Inspectors.

345. We feel however that as Bubonic Plague is of yearly occurrence in the Colony, the number of Plague Inspectors cannot be reduced, but it would appear that an improvement could be made in utilising the services of these officers in the off season, which often embraces seven or eight months of the year.

346. Evidence has been given to the effect that while at times certain District Inspectors have recently been hard worked, the Plague Inspectors, though doing practically no work, were not sent to their assistance, though specially asked for.

347. A considerable amount of work, such as measuring window and floor areas, inspecting concrete, &c., now carried out by the Sanitary Inspectors, will under our scheme be transferred to the Engineering Department, by whom such work can be more effectively and thoroughly attended to, and to whose province it rightly belongs.

348. With the creation of a properly appointed engineering department, the posts of sanitary surveyor could be done away with, as the work of those officers clearly should be subordinated to the executive engineer.

349. It has been stated in evidence that one reason why correspondence has to be dealt with by native clerks, who have so frequently shewn themselves unreliable and venal, was the great amount of correspondence thrown upon the Medical Officer of Health and this again has been given as a reason why the Medical Officer of Health has at times confined his attention largely to office work, when he would have been better employed in supervising the work of the inspectors.

350. The Principal Civil Medical Officer has stated in evidence that he considers that a European clerk should be attached to the Medical Officer of Health's office, and does not approve of the abolition of this post, which we understood was carried out during his absence.

We consider, however, that were the correspondence concentrated, as it should be, in the secretary's office, there is no need for an additional European clerk.

351. The view is forced upon us that both the Principal Civil Medical Officer and the Medical Officer of Health have in the past been too anxious to exercise personal control over their correspondence and the staff, ignoring the status of the secretary.

This has resulted in the creation of what may be termed a one-man-system, which gives a very competent officer with ample time at his disposal, might possibly be worked satisfactorily for a time, but must in the end break down on the departure of that particular individual.

352. The despotic system has at all times proved a failure. We suggest that one be inaugurated which, whatever changes may take place in the personnel of the department, can be carried on without hitch or check in the continuity of the work of the Department.

353. We have also suggested the abolition of the post of market inspectors. We cannot find that there is any real need for the services of these two officers; nor that their time is profitably employed.

We believe that given the greater supervision which our increase in the medical and engineering staff will ensure, that the Colonial Veterinary Surgeon should be able to keep the markets in a sanitary condition, with the assistance of these officers.

354. At present there are 17 interpreters for the inspectors and staff generally. With a reduced staff, we think 15 would prove sufficient.

355. Our general idea is to pay the officers of the department well, and by a re-distribution of the work, ensure that their services are utilised to the best advantage, which does not appear to be the case at the moment.

356. We are of course aware that our scheme, if approved, cannot be brought into force in its entirety at once, as there are a number of officials (such as the sanitary surveyors, for example) who must be retained, until their services can be utilised elsewhere, or they retire from the service.

357. With regard to the appointment of the officers of the department, we are strongly of opinion that the sanitary and building staff should not be recruited locally, or from the police force, but that certificated overseers should be brought out from home who have been specially trained to carry out duties with which they will be entrusted.

358. We consider that the present system of dealing with this class of Government servant is far from satisfactory. In the event of irregularities being proved against an officer, or of his proving himself not fitted for his post, His Excellency the Governor has but limited powers for dealing with him, and has to obtain the permission of the Secretary of State before dispensing with his services.

359. We think that all Inspectors and officers of lower grades should be engaged on monthly agreements, and thus it would be perfectly easy for His Excellency to promptly get rid of an unsatisfactory or unreliable servant, or if this is not considered desirable, that they should be engaged on similar terms to members of the Police Force.

360. The basis of pay offered by the Government, coupled with the fact that long service carries with it a substantial pension, should be sufficient to ensure a good class of men being obtainable and their remaining in the service. We would state that more than one of the leading firms engage their men on monthly agreements and experience no difficulty in securing all the employees they require, and retaining them in their service, and this without the attraction of a pension.

361. We would suggest as a matter of detail that the Sanitary Inspectors should in future be called Inspectors of Nuisances, as was formerly the case, and as is still done at home, and that those attached to the Engineering Department should be designated Overseers.

362. With regard to the diaries which they are instructed to keep, it appears the Inspectors look upon these as their own personal property and destroy them at the end of the year, although the books are provided by the Government.

These diaries should be kept for a certain period, say 3 years, and should be deposited in the Secretary's keeping at the close of the year.

363. A complete record should also be kept of the work done by the individual members of the staff, and monthly portage bills drawn up showing the district in which each man has been employed.

The Commissioners have more than once asked the name of the Inspector working in a certain district, on a certain date in the immediate past, but no record of this has been forthcoming, and the required information was not therefore procurable.

364. We further find the use of "chops", that is, stamps with an officer's name, is in common use in the Department; this is a most reprehensible custom, and should at once be discontinued, as there is nothing to shew by whom the "chop" has been affixed to a document.

365. The Inspectors of Nuisances and Overseers should be given to understand that they

form part of a large Department, and are not free to act on their own initiation.

Under existing conditions, owing to the want of proper supervision, and in part to the ambiguous wording of the Ordinance, the Inspectors have unquestionably misunderstood their position.

366. It is only too obvious that that strict discipline which must be maintained, if a large Department is to be satisfactorily managed, is altogether wanting, and as a further consequence an unfortunate spirit of insubordination exists which should be checked.

367. This was very notably exemplified by the attitude taken up by the Inspectors on hearing Your Excellency had considered it advisable to appoint the unofficial Members of the Sanitary Board to form this Commission.

368. Something appears to have been said on the subject by some of the Senior Members of the Staff at one of the fortnightly Meetings, held under the Presidency of the Acting Principal Civil Medical Officer.

A meeting of the Inspectors was then called the following day, under the Presidency of Sanitary Surveyor Bryan, at which all the Inspectors, with two or three exceptions, were present.

369. Most intemperate speeches were made by several of the Senior Inspectors, who ventured to criticise the appointment of the Commission, denouncing those selected to form the Commission, and their supposed intended line of action, winding up with a demand, which we understand was subsequently submitted to Your Excellency, through a solicitor, that in the event of an Inspector being called before the Commission, he should be allowed to be represented by Counsel.

We think it necessary to refer to this matter, as shewing, among other things, the spirit of insubordination which exists, and as strengthening our contention that the Department requires reorganisation, and the subordinate officers placing under proper control.

370. The one remaining point to which we feel we must specially draw Your Excellency's attention is the management of the Secretary's office.

That this has been far from satisfactory for some time past has, we consider, been clearly demonstrated in the course of our enquiry.

371. It is true that after the passing of Ordinance No. 23 of 1903, the Secretary was placed in a most invidious position, and was in point of fact relegated to the position of a senior clerk, with practically no authority except over the native clerks actually under him.

Notwithstanding that we consider the present Secretary a hard working and conscientious officer, the work of the Secretary's office was not organised as well as it should and might have been.

372. We have had to make enquiries and have thus directed attention to the manner in which correspondence with the public, the inter-departmental correspondence, and the accounts have been dealt with by the Sanitary and Building Departments.

In all these directions, we found much existed which was remiss, demanding improvement.

373. We gather that as a result of our enquiries certain reforms have already been effected, but it appears that a thorough reorganisation is necessary, in order to remove these abuses and to put an end to the very reasonable complaints which have been received.

374. If our proposal be adopted, we consider that the post of Secretary should be filled by a regular member of the cadet service, one who has had considerable experience in Government work, in organisation, and in the general conduct of business, as carried out in the Colonial service. The Secretary should have all the necessary authority to carry out the work of his important office without undue interference.

375. As part of the new scheme we venture to lay before your Excellency, it appears to us desirable that the finances of the Sanitary and Building Department be placed in the hands of the Sanitary Board.

376. It may perhaps be objected that this practically amounts to the creation of a Municipality.

We would however remind Your Excellency that we have not suggested any change in the constitution of the Board, which should remain

as at present, but while we do propose that the administration of the Department be transferred from the President, as Administrative Head, to the Board as a Body, the actual control of the finances remains as at present in the hands of the Governor.

377. Our suggestion is that the Sanitary Board should prepare the yearly estimates for the Department.

These will as hitherto be submitted to the Governor who will accept or modify the estimates as may appear expedient and incorporate them in his Annual Budget.

378. The Budget having been passed by the Legislative Council, the money voted for the Department will then be at the disposal of the Sanitary Board, who will be responsible for its proper expenditure in accordance with the terms of the vote, in exactly the same manner that the head of one of the large spending Departments, the Public Works Department, for example, is responsible to Your Excellency for a similar vote.

379. The Sanitary and Building Board will have no power to spend more than the amount voted, and cannot, therefore, incur expenditure which has not been authorised.

It will only remain with the Board to make such recommendations as may at times appear desirable if the vote is likely to be exceeded and this can be rejected by the Governor, or laid before the Legislative Council, if approved.

380. Though it is true there must be an unofficial majority on the Sanitary and Building Board, their powers are controlled by the Governor, who with an official majority on the Legislative Council will, as heretofore, direct the finances of the Colony, and keep such check as may be necessary on the spending powers of the Board, as is done in the case of any purely Government Department.

381. We would beg to remind Your Excellency that for many years the Sanitary Board had the control of the money voted for the Department and that this was confirmed by the Principal Ordinance No. 1 of 1903.

This power, which we now ask be returned to the Board, was only taken away and transferred to the President of the Board by the passing of the Amending Ordinance No. 23 of 1903.

382. Before closing the Report the Members of the Commission consider it desirable to make some reference to the nature of the evidence laid before them; and the great difficulty experienced in sifting out the truth from the mass of evidence given.

383. It was reported quite unofficially that so soon as it was generally known Your Excellency intended to appoint a Commission to enquire into the working of the Sanitary Department, steps were taken by individuals to destroy traces of what might prove to be incriminating evidence.

384. We were further given to understand that in certain cases some of the staff of the Sanitary Department, who have had irregular dealings with certain Chinese contractors and others, actually called upon these men and suggested the advisability of destroying such incriminating documents as might be in their possession.

385. The Commissioners from the first found that all classes of Chinese were most reluctant to give evidence of any description, and in many cases were obviously doing all possible to evade meeting the enquiries of the Commissioners for fear of the consequences to themselves if they gave evidence against the Sanitary Inspectors.

386. Fortunately we were able, in a few instances, to obtain possession of books which have enabled us to follow up a number of cases where bribes or black mail have been extorted, but in most of the cases where leading contractors and others have been before the Commission, no proper books have been produced.

387. It is, of course, well known that the ordinary business Chinaman has a very perfect system of book-keeping, and in those cases where the existence of these documents were denied, we considered that we were justified in assuming that there are reasons why the books could not be put before us.

388. We must remind Your Excellency that in China the system of blackmailing is unfortunately a matter of every day occurrence amongst Government officials (Yamen runners and others) and the civil population. Any Chinaman consequently settling here not only

accepts but is quite prepared to find similar conditions prevailing in this Colony as that which obtains in his own country.

389. Conclusive evidence has been brought before us to show that bribing and blackmailing is of common occurrence, permeating the entire service from the Senior Inspectors downwards. This being so, the Chinese, as a matter of course, more than meet the Government officials half way, and in many cases readily offer presents before they are demanded.

390. That it is recognised that these payments are illegal is clear from the statements made before the Commission as to the manner of payment. How every precaution is taken that no witnesses are present, and when the sums have been entered into the account books, they appear as "coolie hire," "sampan hire," "substitute labour" and so forth; in only one case did the word "bribe" appear, while if the payments were entered as to an inspector, in most cases a fictitious name was used, or merely the number of the district to which the inspector belonged was given.

391. The fact that in many cases no books have been produced, while others have been found to have been mutilated or altered satisfies us of the correctness of the information given privately, while it has already been clearly proved that instances have occurred where an individual inspector has attempted to prevent witnesses from giving evidence before the Commission, and other cases have been before us, which however we have been unable to confirm, as the native witnesses for fear of trouble have left the Colony.

392. The excuses made by many of the witnesses as to why they had lent themselves to a state of affairs of which they disapprove, and which they know to be wrong, may be briefly summed up as follows:—

If a contract be remunerative, money is paid to the inspectors and other subordinate officials not particularly for any direct service rendered, but in the hope of establishing friendly relations and ensuring good results in the future.

The inspectors inform these contractors that their work is not satisfactory and cannot be passed, then follow it up with a request for a loan, which it is clearly understood does not involve repayment.

One contractor states "All inspectors want presents," and another witness stated all contractors give presents to the inspectors.

If such presents are not made, delay takes place in issuing permits or the work is reported as not fit to pass and has to be redone. Another witness stated they were "under the rule of the inspector" and they were forced to make presents in kind or money.

393. A large number of Chinese witnesses have given similar evidence, all pointing to the fact that contractors, shopkeepers, restaurant keepers, &c., pay bribes to the inspectors in order to purchase their goodwill and to avoid possible trouble, or to get work passed.

394. It appears that the large contractors and architects have nothing to do with the bribing. The usual custom is to sub-let, and the subcontractor is supposed to do all that is necessary in this direction, in order that the work may be passed.

395. There appears to be little doubt that certain contractors, such as Foo Sik, Sam Iu, Tsang Ying and a few others are the favoured contractors. These men alone can accept and carry out certain forms of contracting, as otherwise work will not be passed by the inspectors.

396. Evidence has been given where a Chinese architect and others have been informed by Government officials that they had better employ certain contractors, while if they attempt to get work done by their own men the work is rejected by the inspector. The favoured contractors for building, laying of drains, lime washing, &c., are thus able to make excessive charges, and the public generally have to submit to these exactions.

397. With large contractors for European firms, the question does not arise. The contractor is engaged, and as a matter of course in making his estimate allows sufficient to cover all such irregular payment as may have to be made by the sub-contractor while the contract is being carried out. Even wealthy Chinese firms such as the Yuen Fat Hong have to submit to such exactions, as they say there is no help for it. Shop keepers, restaurant owners

and others say they pay these squeezes because it is cheaper than being continually harassed by sanitary officials.

398. In many cases no demand is made for payment of a bribe, but it is well understood on both sides why the delay in passing work arises, and how the difficulty can be surmounted.

These exactions vary from considerable sums of money to the demand for a few eggs at a reduced price, or a few bottles of beer.

No man is apparently too poor to be exploited, and there is no form of exaction, however mean and contemptible, to which the Inspectors and servants of the Sanitary Department will not stoop.

399. It is evident that the charges generally for building, &c., in the Colony would be considerably lower were it not for the bribes which have to be paid.

If a contractor attempts to resist these exactions, he is ruined, and in order to retain his business, he is forced to submit.

A case has come before the Commission where a man of some standing had the courage to refuse to be blackmailed, and has been left alone by the Inspectors, but another man of less position has been driven out of business, as his work was not passed without payment of bribes.

400. It was very evident that the fear of the Sanitary Officials was in many cases very real, and the witnesses only gave evidence when they found the Commission was already in possession of sufficient facts to prove that they knew the full details of the particular case they were investigating.

401. To illustrate this fear which existed, a well-to-do Chinaman after having been repeatedly assured by the Commission that he would receive full protection were it required, did in the end leave the Colony under threats of violence from one of the Inspectors, consequently becoming bankrupt, losing a remunerative business. Repeated assurances of protection personally given to this man in his native village have as yet failed in inducing him to return to this Colony, where his further evidence was required by the Commission.

402. The Commissioners have, as Your Excellency will see from the evidence taken, investigated a number of cases of reported extortion on the part of members of the Government Service, and where possible have followed the enquiry up to a point where we have considered ourselves justified in specially reporting to the Government.

403. Some witnesses have been before us who however have denied all knowledge of the reported cases of bribery, and it was our intention to have returned to this part of the enquiry later.

We felt however that this is impossible, and having completed our enquiry as to the first part of our Commission, we merely finished examining into such cases as had already been in part gone into, and which seemed to offer a speedy termination to our investigations.

404. There are however a number of other cases with which we have been quite unable to deal; also other methods of corruption, which we have not had time to investigate fully, but which appear to us to require consideration.

405. The most noticeable of these is the payment by the Government of 40 cents to contractors such as Sam Iu for opening up and closing holes made in the concrete floorings of native houses, while these were being inspected.

406. A number of bills have been produced showing that considerable sums have been paid on certificates signed by certain of the Sanitary Inspectors that this work had actually been carried out by the contractors in question.

407. As a matter of fact, accounts certified by Inspectors have been produced before the Commission calling for payment for certain floors which it is alleged have been opened and repaired by Sam Iu, while witnesses have appeared before us who have stated that the floors have in some cases not been opened at all, while others again have been opened and repaired by these same witnesses.

A careful investigation of this matter might, we think, demonstrate that considerable corruption has existed in this direction.

408. The Commissioners however feel that their work must be brought to a close, and that it is impossible for them to continue indefinitely investigating cases which it would appear are practically interminable.

409. The Commissioners in conclusion wish to express their thanks for the assistance rendered them in this Enquiry by the majority of the Officials to whom they have applied for information, and also to the public at large.

410. Every effort has been made to curtail as much as possible the length of the evidence taken by the Commissioners, but the idiosyncrasies of some of the witnesses, the reluctance of others to give evidence, and in one or two cases the too apparent hostility shewn towards the Commission, have made the work of the Commission at times extremely difficult, and unduly prolonged the enquiry.

411. The Secretary, Mr. Bowen Rowlings, though suffering from ill-health, carried out his duties to our entire satisfaction, and when subsequently invalided home, the work was very ably carried on by the Government Assessor, Mr. A. Chapman, who in addition to his regular duties was appointed Secretary to the Commission, and in this capacity proved himself willing, capable and hard working.

412. The Commissioners would specially bring to Your Excellency's notice the services of Mr. Dyer Ball, who acted as Interpreter throughout this protracted enquiry. In the earlier part of the sittings, the weather was excessively trying. The Meetings of the Commission lasted 4 to 5 hours, sometimes longer, during which a number of Chinese witnesses were examined, speaking many different dialects, much increasing the mental strain on the interpreter; Mr. Dyer Ball had not only these Meetings to attend, in addition, we understand, to his ordinary duties, but also undertook to read over with the Chinese witnesses the full report of their evidence, although this last had to be abandoned after Mr. Ball was forced to leave the Colony for a month's rest.

The Commissioners feel that they are much indebted to Mr. Dyer Ball for the manner in which he carried out his onerous duty and the unfailing courtesy and ready help which he invariably rendered them.

We have the honour to be,

Sir.

Your Excellency's obedient humble servants,
EDBERT A HEWETT,
FUNG WA CHUN,
LAU CHU PAK,
HENRY HUMPHREYS,
A SHELTON HOOPER,
ARTHUR CHAPMAN.

Secretary.

Hongkong, 19th March, 1907.

SUPREME COURT.

Friday 17th May.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

AN EMPLOYMENT CONTRACT.

The case in which the Indo-China Steam Navigation Company, Ltd., sued T. Lancelot Wyndham, doctor of medicine, for the recovery of \$1,000, being damages for breach of agreement dated June 13th 1906, was mentioned.

Mr. O. D. Thomson, who appeared for the defendant, stated that he had received a telegram from his client at Singapore informing him that he did not know when he would be able to attend. In the circumstances he suggested that the case stand over for two months in order to enable him to fix a convenient date.

Mr. Dixou, from Messrs. Hastings and Hastings, objected on behalf of the plaintiffs.

His Honour ultimately adjourned the case for a month.

Tuesday, 2nd May.

IN CRIMINAL JURISDICTION.

BEFORE SIR FRANCIS PIGGOTT (CHIEF JUSTICE).

THE POKFULAM MURDER.

Cheung Tai was indicted on the charge of murdering Yim Hing and Yim Ming at Telegraph Bay, Pokfulam, on March 25th. Prisoner pleaded not guilty, and the following jurors

were called:—B. D. Kepteva, T. Oates, L. S. Greenhill, G. Grant, T. M. Gregory, S. B. Greenfield and F. Graham.

The Attorney-General, Mr. H. H. J. Gompertz, instructed by Mr. G. E. Morrell, Crown Solicitor, prosecuted, and the Hon. Dr. Ho Kai, instructed by Mr. R. Harding, appeared for the defendant.

The Attorney-General stated that accused lived with his mother in a matchet at Telegraph Bay. His mother was a planter of vegetables and a rearing of pigs. The accused was a married man, and besides his wife and family, there lived in the matchet deceased and several other persons. On March 24th deceased was unwell, and unable to go to work. On the 25th he went out for a time, but eventually had to return to bed. While he was in the house alone with two children, a boy and a girl, the accused secured a chopper with which he hacked deceased so severely that he died. Two small children were also severely cut and the boy's injuries proved fatal. After doing this thing the accused remained in the matchet for some time, but before the police arrived he got some money from his wife and went off. In this case there would seem to have been some squabble between accused and deceased, but in his statement accused said his reason for committing the crime was because deceased wouldn't work.

Evidence was called, and the case adjourned.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

A WASHerman's CLAIM.

Yee Wo, washerman, sued Louis Comar of the Cosmopolitan Hotel to recover \$16.68 due for washing. There was a cross action in which defendant sought to recover \$34 from the plaintiff, being for value of one blue serge suit and a mosquito curtain which the washerman did not return.

Yee Wo having given his evidence concerning the claim.

Defendant asked—Didn't I pay you \$5 in twenty cent pieces?—No, if it was paid I would not sue you.

His Lordship—Perhaps he didn't like \$5 in 20 cent pieces. It's not a legal tender. Who paid it?

Defendant—My daughter paid it.

Laura Comar was then called and said the washerman's bill would be correct if the missing clothing was returned. She had lost one navy blue suit and a mosquito net.

His Lordship—The only thing I don't quite understand is this, this washing bill is \$16.68 and you've lost clothing to the amount of \$34. Why did you give him \$5 after that?—Because he promised to find the missing clothing.

The washerman then questioned witness.

How is it when I went to you again and again and asked for money that you never mentioned the missing clothing?—I did.

How is it you waited so long before suing me for this amount?—Because it pleased me not to sue, I did not bring the action before.

Now you must not tell lies; you must tell the truth.—I'm telling the truth.

How is it you were so friendly as to give me \$5 after I lost the things?—Because you said you were sure you would be able to get them back from some of your other patrons.

His Lordship entered judgment and costs for Mr. Comar.

Wednesday, May 22nd.

IN CRIMINAL JURISDICTION.

BEFORE SIR FRANCIS PIGGOTT (CHIEF JUSTICE).

THE POKFULAM MURDER.

The trial of Cheung Tai for the murder of a Chinese man and boy at Telegraph Bay Pokfulam, on March 25th was concluded. After a retirement of twenty-five minutes the jurors returned into Court, and brought in a verdict of guilty.

His Lordship passed formal sentence of death on the prisoner.

IN SUMMARY JURISDICTION.

BEFORE MR. A. G. WISE (PUISNE JUDGE).

A HOTEL'S LIABILITIES.

The Tean Seng firm, of 84, Queen's Road Central, sued Wong Fung-shek, proprietor of the New Connaught Hotel, to recover \$198.45, for goods sold and delivered.

Mr. O. D. Thomson appeared for the plaintiff, and Mr. E. J. Grist (of Messrs Wilkinson and Grist) for the defendant.

Mr. Thomson stated that the plaintiff claimed the amount stated in the writ from the defendant as proprietor of the New Connaught Hotel. Before the goods were supplied the defendant went to the manager of the plaintiff firm, and represented to him that he was the manager of the hotel, and would be responsible if he would supply the goods. His name also appeared in the Daily Press Directory as proprietor.

His Lordship—I think I have given a lot of judgments against him.

Mr. Grist—I understand this man has been sued before.

His Lordship—And never turned up.

Mr. Grist—No, but I have subpoenaed the real proprietor.

His Lordship—Will he pay up this time?

Mr. Grist—I don't know. I don't appear for him.

Kwong Fu-yuen was then called before the Court.

His Lordship—This man has not been before me before. He is a new introduction altogether. Do you owe this money?

Kwong Fu-yuen—Who were the goods got for?

Mr. Thomson—The New Connaught Hotel. Kwong Fu-yuen—That is not I. I am not there.

His Lordship—I don't care whether you are there or not. Are you the proprietor?

Kwong Fu-yuen—It is not my own.

The younger brother of the owner of the plaintiff firm, who appeared as plaintiff, gave evidence to the effect that he was foki in his brother's shop.

On this account Mr. Thomson asked leave to amend the writ.

Mr. Grist objected.

His Lordship—Mr. Thomson has made one amendment already. He has amended the name of the defendant, and now he wants to amend the name of the plaintiff. (To Mr. Grist)—Anyway, I don't think the amendment will do you any harm.

Mr. Grist—Well, my Lord—

His Lordship—Of course you've got to object. The writ was amended.

Defendant gave evidence to the effect that he ordered part of the goods set out in the particulars. Sometimes he saw the plaintiff's younger brother, but never told him he was a partner in the Connaught Hotel, and never made himself personally responsible. There were eight partners, and Kwong Fu-yuen was the managing partner. Witness received a salary of \$40 per month and a bonus of five per cent. on the net profits.

In cross-examination witness stated that when plaintiff asked him for payment, he referred him to the partners in the hotel.

Mr. Thomson here produced the Daily Press Directory, and asked how it was that he was mentioned therein as head of the firm.

Defendant—I am only put down as manager.

Mr. Thomson—You are put down as an owner in the firm.

Defendant—No, as manager only.

His Lordship, on referring to the book, was of opinion that it certainly looked as if defendant was meant to be the owner. (To Defendant)—Did you have an action brought against you in this Court before for goods delivered?

Defendant—It was against the Connaught Hotel.

His Lordship—Yes, there were several against the Connaught Hotel, but creditors gave up that, and commenced suing you, and there was a judgment given against you, but you did not appear.

Defendant—The money was paid as soon as the summons was taken out.

His Lordship—You were summoned?—No.

Mr. Grist—I think all the summonses were in the name of Connaught House.

His Lordship—At first they were. But they began to give me half a dozen names when they found that Connaught House was closed.

Kwong Fu-yuen was next called. He said he was one of eight partners in the Connaught House Hotel. Defendant had a share.

Mr. Grist—How much money did he put in?—You must ask him; he keeps the accounts.

Are you still carrying on this business?—It ceased in the twelfth moon of last year.

And the firm has gone into bankruptcy?—No, not yet.

His Lordship gave judgment and costs for the plaintiff, and said if it was necessary the defendant could sue the partnership to obtain a contribution from the others.

THE LATE MR. WEI ON.

The death took place at midnight on May 19th of Mr. Wei On, one of the most distinguished solicitors in Hongkong. The sad news, which came quite unexpectedly, was received with genuine regret by the many Europeans and Chinese who knew him. A member of the firm of Messrs. Johnson, Stokes and Master, he held a high place in his profession, while socially he was greatly esteemed. He took a keen interest in sport, and figured in the present tennis tournaments at the Hongkong Club. He died at the Government Civil Hospital, where he went to undergo an operation for appendicitis.

Before proceeding with the day's business at the Supreme Court on May 21st His Honour the Chief Justice, who was accompanied on the bench by His Honour the Puisne Judge, referred to the death of Mr. Wei On. Sir Henry Berkeley, K.C., Dr. Ho Kai, and a large number of solicitors besides many officers of the Court were present.

The Chief Justice said—Before proceeding with the business of the day I think it is fitting that I should say a few words expressive of the very great regret and deep sorrow with which we have all heard of the painfully sudden and premature death of our friend Wei On. The regret we hold more acutely because some of us were away on holiday when the news came to us, and were so prevented from paying the last tribute of respect to the remains of our colleague. Wei On was a man of many virtues, but those which appealed to us most in Hongkong were the keenness and thoroughness which he acquired at Che tenham and Oxford, which he brought back to his native country, and which characterised all he did both in play and work. I think I am right in saying that everybody knew the high traditions of his profession were safe in his hands. I know I am voicing the feelings of all the members of his profession when I tender to Wei Yuk and his friends expressions of our most profound sympathy in the loss they have suffered.

The Puisne Judge—I agree.

The Attorney-General—The profession feel very deeply the loss they have suffered by the sudden death of Wei On. He was a very smart scholar from a well-known English public school and university, and joined a well-known firm of solicitors to practise in this Colony. I am sure the whole of the profession join in the expressions of regret which have fallen from your Lordship.

MYSTERIOUS MURDER.

At about midnight on May 16th the police were informed that a Mahomedan watchman, named Meila, had been murdered at his residence 4, Hing Lung Street, West Point. On proceeding to the house they discovered that the unfortunate man had been brutally hacked and chopped, and from the nature of the wounds it would appear that both knives and choppers had been used by his assailants. Evidently the murdered man was taken unaware, and in all probability was asleep at the time of the onslaught. The police are of opinion that the murder was committed early in the evening, and that robbery or revenge was the incentive. At present the affair is shrouded in mystery, and although the police have been actively engaged on the case, the murderers are still at large.

COMMERCIAL.

PIECE GOODS.

Messrs. Noel, Murray & Co.'s Report on the Shanghai Piece Goods Trade, dated Shanghai, 16th May, 1907, states:—Referring to the remarks we made last week with regard to Manchuria, it is now reported that a tentative arrangement has been arrived at between the Japanese and Chinese Authorities whereby a Custom House will be opened at Dalny for a year in order to see how it works. Arrangements seem to be progressing satisfactorily for taking over railways, etc., but it is very difficult to follow. Nothing of a cheery nature can be said of our market here during the interval: it remains in precisely the same condition, fresh buying being confined to the veriest retail quantities, while clearances of English grey, white and fancy goods are only fair, in fact on some wet days this week they were at a complete standstill. New business is getting more and more out of the question, which is probably just as well, for although deliveries are overtaking the imports in many articles the supply here is still far too heavy. The buying fatuity that took possession of this market a year or two back has worked terrible havoc with the trade. It encouraged many new competitors to enter the field, and everything was greatly overdone, the consequence being the market is depressed with the heavy stocks ordered promiscuously and which many of the indentors are quite unable to take up. Great sacrifices will have to be made by some importers, on whose hands the burthen is becoming heavier and heavier owing to the accumulation of the carrying expenses. There will have to be a lot of sorting out before the trade ever gets on a proper basis again. Manchester though quiet is still very strong, and the rise in cotton will not assist matters so far as buyers are concerned. The latest Liverpool quotation for Mid-American is 6.91 d. Egyptian is slightly easier at 10^{1/2} d. Advice from the States during the week report possible damage to the Texan crop, but how far that has effected the current prices remains to be seen. No news concerning the market in the States for domestics has transpired. The impression seems to be gaining ground amongst importers that their chief buyers are wearing a rather less anxious look of late. This probably betokens that they have received a renewal of their credits from the native bankers and have further opportunities for manipulating the heavy stocks they are responsible for. What business is being done in purchases from first hands can scarcely even be called a hand to mouth one, and is not at all general. The auctions, however, show in many instances a distinctly better feeling. The yarn market is quieter and looks scarcely as promising as it did. Access to Szechuan being now closed temporarily her support is withdrawn, the consequence being less competition. A few more weeks like the last two in the cotton market ought to impress upon the farmers the futility of withholding supplies, that is if they have any. Grey Shirtings.—As mentioned above we are aware that a few odd lots have changed hands privately, but it can not be called "business." At the auctions there has been a better demand for all weights, though here and there a striking discrepancy is noticeable in prices. White Shirtings.—These have done better at the auctions in the lower reed goods, but there was some weakness shown in the high reeds and heavier makes. White Irishes and Bleached T-Cloths were both steady at auction, while a few of the former were sold privately on terms that have not been made public. T-Cloths and Jeans.—The former realised steadily to firm prices at the auction this morning, but the latter were easier. Drills and Sheetings.—We have not heard of any sales from first hands, but understand some of the foreign houses here are still picking up cheap lots in order to support the market. The Sheetings we mentioned last week as having been bought on the market were Whitney A. and not Williston. Fancy Goods.—These remain equally as quiet as plain goods privately and it is difficult to trace any business. Turkey Reds continue selling at weak prices at auction, while the fast black cotton Italians were much more down than up. Woollens.—The whole of the goods offered this week have shown a drooping tendency. Lastings and Long Ells especially so. Cotton Yarn.—Indian.—The market has been quiet but steady during the interval, with perhaps a rather more extended demand for moderate quantities. The No. 10s have found buyers, for instance, for the

Tientsin, Chefoo and Newchwang markets, the No. 12s for Kiukiang and the No. 20s for Chefoo, Tientsin and Hankow markets, the total business reported, however, only amounting to 2,100 hales. Prices on the whole are certainly no weaker, in fact for No. 10s they are if anything rather firmer.

The following is the weekly Piece Goods Report of Messrs. Ilbert & Co., dated Shanghai May 17th:—The tone of our market throughout the past week has remained quiet, with practically no transactions from first hands to be recorded. The steady upward movement of cotton on the Liverpool market which is now quoted at 6.91 for American Middling, a figure which it has not touched since May, 1904, is a factor in the trade that the native dealers do not lose sight of, and is already allowing them to take a considerably more favourable view as regards their heavy stocks lying in Shanghai, realizing as they must that they cannot possibly replace any of the present holdings at anything like their original cost. The quantities taken by Vladivostock must be very small, and may be regarded as a negligible quantity. We may be excused in quoting somewhat at length from the interesting Report of the trade of Newchwang for 1906, just issued by the Customs, that port being the commercial door, by virtue of both its rail and water connexions, to the whole Manchurian trade. After commenting in brief upon the overtrading of 1905, which brought about a state of serious congestion of goods, the Report goes on to state that business in native imports was fair, nearly all the exports were satisfactory, and that in general all accounts concerning Manchuria agree that it is prospering. In regard to Japanese imports the Report states that "nobody need seriously believe that there was perfect equality of opportunity, and that the most was not made of the excuse of military necessity." Also in regard to imports through Taliens (Dalny) "these were imported free of duty; what further advantages they had at that time in steamer and railway rates is more or less a matter of conjecture." On account of there having been no Customs station until recently at Dalny, there is no means of determining what quantities have been sent through that port, and we quote the Report verbatim as follows: "What proportion of the trade different countries are getting it is not possible to determine with accuracy here for want of statistics of shipping and cargoes at other places. The absence of these vitiates the Newchwang statistics as an index of Manchurian trade. It is well understood that the Japanese are pushing their business energetically; provided the merchants of other nationalities have an equal opportunity, it is legitimate effort which is entitled to its reward. If the people of Manchuria buy Japanese goods, or goods handled by Japanese, presumably it is because they find it advantageous. But what share is Newchwang to get in Manchuria's prosperity? Newchwang, of course, will have to meet the competition of other places as ports of entry. That is inevitable and does not give rise to complaint. Even on equal terms Vladivostock and Taliens would get their share. But the terms are not equal. Discrimination in payment of duty will not last; but there is a more serious form of discrimination, and one that is likely to be permanent—discrimination in Railway rates. On the Southern Manchurian railway such discrimination already exists. It should be borne in mind that ordinary mercantile considerations of profit need not apply to the Southern Manchurian Railway. The predominant partner is under obligation to pay the private shareholders 6 per cent. on 20 million yen—1,200,000 yen yearly, and there will be interest to be paid on a large sum of borrowed money, the amount of which is variously estimated to put the lines of the company in the best condition and provide terminals and wharves; but after these payments are secured charges can be arranged to favour a policy when that is preferable to making a profit. The rate per mile from Newchwang is double that from Taliens. As far as Mukden Newchwang has a slight advantage, the trade of Mukden being of not much consequence; but beyond Mukden and increasing with the distance the advantage is with Taliens, so that by the time Kwanchengtze is reached the rate from Taliens is nearly 2½ yen per ton less than from Newchwang. And, as everybody knows, all the exports are grown north of Mukden, and Kwanchengtze is the great distributing centre of imports. Taliens is to have the cream of the business. Newchwang may get the skim milk, if it can. The distance from Taliens to the present terminus near Kwanchengtze is, as railways rates are calculated, 465 miles, from Newchwang 330 miles. It is not profit which induces a railway to incur an additional haul of

over 100 miles when it has no competitor." Now that the excuse of military exigency is at an end, in view of the reported prosperity of Manchuria it would be expected that trade there, as far as foreign imports are concerned, would show speedy revival after being throttled for so long, but more than a month has elapsed so far and no encouraging sign is apparent.

MISCELLANEOUS EXPORTS.

Messrs. Arnhold, Karberg & Co.'s Fortnightly Produce Circular, dated Shanghai, 16th May, 1907, has the following:—
 Gallnuts.—There has been a small drop in first cost prices which has brought out a few orders.
 Cowhides.—There is no business to report during the interval.
 Prices weaker.
 Tobacco.—No business reported.
 Feathers.—Market remains very firm and last prices are fully maintained.
 A strong demand for all descriptions continues.
 Cotton.—The market remains unchanged and there is very little doing.
 Tallow.—Business has been exceedingly quiet and only a few parcels have changed hands in the meantime.
 Wood Oils.—The market remains firm.
 Strawhairs.—A strong demand for all descriptions continues and prices are unchanged.
 All arrivals of Loyeh, Yangshun and Finkin find ready buyers at full rates.
 Supplies continue small.
 Rugs, Goatskins.—Prices have gone higher, but not much business has been done.
 Wool.—Sheep's.—All arrivals continue to find ready buyers at full rates.
 Camels'.—There is a good demand and prices are higher.
 Antimony.—No business reported.

SHARE REPORTS.

HONGKONG 23rd May, 1907.—To-morrow being "Victoria day" and a public holiday, our circular is issued a day earlier than usual. During the interval since our last, our market has continued to rule extremely dull, and there is again but little of interest to report. Rates continue without improvement, and on the whole still incline toward weakness.

BANKS.—Hongkong and Shanghais have been booked in small lots at \$110, \$905 and \$900, and close with sellers at the latter rate. London, after falling to £99.10., has hardened somewhat, and closes steady at £100. Nationals are unchanged and without business.

MARINE INSURANCES.—Yangtze's are still in request at \$158, but there is no enquiry for other stocks under this heading, and we have heard of no business.

FIRE INSURANCES.—Hongkongs continue on offer at \$330, but Chinas, after small sales at \$80, are in some further request at the rate.

SHIPPING.—Hongkong, Canton and Macaos have been booked at \$30 at which rate the market closes steady. Indo, Star Ferries and China and Manilas are unchanged and procurable at quotations. Donglases have been fixed at \$38½ and more shares are wanted. Shell Transports are firm with buyers at 48½ and \$9. 10s. Od. for the Ordinary and Preference shares respectively.

REFINERIES.—China Sugars are somewhat easier with sellers at \$119 after small sales at \$120. Luzons are still on offer at \$21.

MINING.—Raubs have been booked at \$64 and more shares are procurable. Charbonnages can be placed at \$450.

DOCKS, WHARVES AND GODOWNS.—Hongkong and Whampoa Docks have remained fairly steady during the interval, but shares are still obtainable to some extent at \$109. Hongkong and Kowloon Wharves are easier with sellers at \$83. Shanghai Docks are quoted Tls. 76, and Shanghai and Hongkew Wharves Tls. 221, the latter with local and Shanghai buyers. New Amoy Docks are still in request at \$11½.

LANDS, HOTELS AND BUILDINGS.—Hongkong Lands are unaltered with probable sellers at \$107. Kowloon Lands have been fixed at \$37, and West Points at \$48. Hongkong Hotels have again been booked at \$118 at which rate more shares are obtainable. Humphreys' Estates are unchanged with sellers at \$10.90.

COTTON MILLS.—Quotations are without change, and we have no business to report in this section.

MISCELLANEOUS.—Geo. Fenwicks have declined to \$17½, and Green Island Cements to \$18, both with sellers. Electrics have been done at \$15 and are still offering. Ices have been booked at \$245, and Union Waterboats at \$12½, the latter closing in request at \$12½. Watsons have sold and are offering at \$12.

Quotations are as follows.—

COMPANY.	PAID UP.	QUOTATIONS.
Albamra	\$200	\$120
Banks—		
Hongkong & S'hai	\$125	{ \$900, sellers London, £100
National B. of China		
A. Shares	£6	£51
Bell's Asbestos E. A.	12s. 6d.	87, sellers
China-Borneo Co.	\$12	\$9½, sellers
China Light & P. Co.	\$10	\$6½, sales
China Provident	\$10	\$9, sales & sellers
Cotton Mills—		
Ewo	Tls. 50	Tls. 62
Hongkong	\$10	\$11½, sellers
International	Tls. 75	Tls. 51
Laou Kung Mow	Tls. 100	Tls. 75
Soychee	Tls. 500	Tls. 370
Dairy Farm	\$6	\$15½
Docks & Wharves—		
H. & K. Wharf & G.	\$50	\$83, sellers
H. & W. Dock	\$50	\$109, sellers
New Amoy Dock	\$61	\$11½, buyers
Shanghai Dock and Eng. Co., Id	Tls. 100	{ Tls. 76
S'hai & H. Wharf	Tls. 100	Tls. 221
Fenwick & Co., Geo.	\$25	\$17½, sellers
G. Island Cement	\$10	\$18, sellers
Hongkong & C. Gas	£10	\$175, buyers
Hongkong Electric	\$10	\$15, sales & sel.
Hongkong Hotel Co.	\$50	\$118, sales & sel.
Hongkong Ice Co.	\$25	\$24½, sales
Hongkong Rope Co.	\$10	\$20, buyers
Insurances—		
Canton	\$50	\$280, sellers
China Fire	\$20	\$80, buyers
China Traders	\$25	\$97
Hongkong Fire	\$50	\$330, sellers
North China	£5	Tls. 77½, sellers
Union	\$100	\$770, sellers
Yangtsze	\$60	\$158, buyers
Land and Buildings—		
H'kong Land Invest.	\$100	\$107, sellers
Humphrey's Estate	\$10	\$1090, sellers
Kowloon Land & B.	\$30	\$37, sales
Shanghai Land	Tls. 50	{ Tls. 104 Tls. 50 Tls. 102
West Point Building	\$50	\$48
Mining—		
Charbonnages	Frs. 250	\$450, buyers
Raubs	18 10	\$6½, sellers
Peak Tramways	\$10	\$12, buyers
Philippine Co.	\$10	\$5
Refineries—		
China Sugar	\$100	\$119, sellers
Luzon Sugar	\$100	\$21, sellers
Steamship Companies		
China and Manila	\$25	\$154
Douglas Steamship	\$50	\$38½, buyers
H. Canton & M.	\$15	\$30, sales
Indo-China S. N. Co.	£10	\$71, sellers
Shell Transport Co.	£1	48½, buyers
Star Ferry	\$10	\$30, sellers
Do. New	\$5	\$19½, sellers
South China M. Post.	\$25	\$23, sellers
Steam Laundry Co.	\$5	\$7
Stores & Dispensaries		
Campbell, M. & Co.	\$10	\$20, sellers
Powell & Co., Wm.	\$10	\$8, sellers
Watkins	\$10	\$4½, sales & buy.
Watson & Co., A. S.	\$10	\$12, sellers
United Asbestos	\$4	\$10½, buyers
Do. Founders	\$0	\$150
Union Waterboat Co.	\$10	\$12½, buyers

VERNON & SMYTH, Brokers.

Messrs. J. P. Bisset & Co.'s Share Report for the week ending May 16th, 1907, states:—Business was resumed on the 9th instant after the Race Holidays. The market has been exceedingly quiet ever since, and there are no changes of any importance to chronicle. The share market is quite inactive and we do not see any prospect of a recovery for some time. With the exception of Maatschappij, &c., in Langkats, which remain very steady, selling orders have

mostly prevailed. Banks.—Hongkong and Shanghai Banks. There has been no business reported this week, but the closing quotation is \$912½ sellers. The T. T. rate on London to-day is 2/11. Marine & Fire Insurance.—There has been no recorded business. Shipping.—Indo Chinas. It is now only possible to deal in the new stock of this Company, but no business has been done. This has become a stock in which neither operators nor sharebrokers feel inclined to deal, and is quite out of favour. Shanghai Tug & Lighter Co. The ordinary stock has been dealt in at Tls. 48 closing with sellers. Preference shares have buyers at Tls. 50. Docks and Wharves.—Shanghai Dock & Engineering Co. Ltd. The market opened with sellers at Tls. 82 and some shares changed hands on the 9th at this figure. Subsequently selling orders prevailed and some business was done at Tls. 80 for cash and May delivery, and the July rate fell to Tls. 80. At the close the price of Tls. 80 for cash or time cannot be procured. There is no business reported, however, at anything below this. Shanghai & Hongkew Wharves. Shares remain very steady at Tls. 218 and for September there are buyers at Tls. 231. Sugars.—No business reported this week. Mining.—Chinese Engineering & Mining Co. Shares are wanted at Tls. 15½ ex div. Lands.—Shanghai Lands have changed hands at Tls. 105 for the old shares. Some shares are now obtainable at Tls. 104. Anglo-French Land. A sale is reported at Tls. 101½. Industrial.—Cotton Mills. A sale is reported in Ewos at Tls. 62, and on the 10th shares for September delivery changed hands at Tls. 66. Laou Kung Mows have buyers at Tls. 77½ for June. International Cottons are quiet with nominal rates at Tls. 51 for cash and Tls. 53 for September. Shanghai Gas Co. A small lot was dealt in at Tls. 107 for cash. China Flour Mills are wanted at Tls. 63½ for cash. Shanghai Ice Co. The market closed with sellers at Tls. 17. Anglo-German Brewery Shares have buyers at \$87½. Maatschappij, &c., in Langkat remain very firm at Tls. 282½ for cash, and sales have been made at Tls. 299 for September. Miscellaneous.—Hall & Holtz are quoted at \$20½. Astor House Shares. Transactions are reported at \$29 for cash. There are sellers for June at \$30. Telephones have been in strong demand and have advanced from Tls. 63 to Tls. 65. Shanghai Horse Bazaars have changed hands at Tls. 44 and Tls. 45. China Import & Export Lumber Co. Shares have been placed at Tls. 90.

TONNAGE.

HONGKONG, 17th May.—Freights remain about the same as last reported. From Saigon to Hongkong, 18 cents per picul last and offering; to Philippines, Java and Japan, no inquiry. From Bangkok to this, 30½/23 cents per picul. From North Coast Java to this, no demand. Coal freights are firm. From Moji to this, \$1.65 to \$1.75 per ton; to Singapore, \$1.70; to Foochow, \$2.25; to Canton, \$2.65. From Mororan to this, \$2.50. From Newchwang to Canton, 23 cents last. The following are the settlements:—

Kowloon—German steamer, 1,487 tons, Mororan to Hongkong, \$2.50 per ton.

Rajah—German steamer, 1,275 tons, Wakamatsu to Hongkong, \$1.70 per ton.

Skramstad—Norwegian steamer, 86½ tons, Wakamatsu to Canton, \$2.55 per ton.

Conquer—British steamer, 2,865 tons, Moji to Hongkong, \$1.75 per ton.

Neumuehlen—German steamer, 1,940 tons, Moji to Hongkong, \$1.75 per ton.

An Indo China S. N. Co.'s steamer, Moji to Canton, \$2.40 per ton.

Heimdal—Norwegian steamer, 761 tons, Moji to Canton, \$2.65 per ton.

Tiahou—British steamer, 902 tons, Hongkay to Pulo Brani, \$2.80 per ton.

Providence—Norwegian steamer, 693 tons, Hongkay to Hongkong, \$1.60 per ton.

Amigo—German steamer, 822 tons, Iloilo to Hongkong, 18 cents per picul.

Sexta—German steamer, 987 tons, Saigon to Hongkong, 18 cents per picul.

Nord—Norwegian steamer, 730 tons, Saigon to Hongkong, 17½ cents per picul.

Clara Jebsen—German steamer, 1,103 tons, Saigon to Hongkong, 17 cents per picul.

Tremachus—British steamer, 1,340 tons, Saigon to Hongkong, 17 cents per picul.

Quarta—German steamer, 1,146 tons, Saigon to Canton, 20 cents per picul.

Waishing—British steamer, 1,170 tons, Saigon to Tientsin, 40 cents per picul.

Foneyama Maru—Japanese str., 1,750 tons, two ports North Coast Java to Hongkong private terms.

May 27, 1897.

SHIPPING.**ARRIVALS AND DEPARTURES SINCE LAST MAIL.****ARRIVALS.**

17. Nikkai Maru, Jap. str., from Hongay.
 17. Victoria, Swedish str., from Saigon.
 18. Amoy, German str., from Quin Hou.
 18. Cardiganshire, British str., from London.
 18. Castor, Norwegian str., from Langkat.
 18. Denbighshire, Br. str., from Kutchinotzu.
 18. J. Diederichsen, Ger. str., from Hoihow.
 18. Kachima Maru, Jap. str., from Saigon.
 18. Mathilde, German str., from Haiphong.
 18. Yingchow, British str., from Shanghai.
 19. Anchises, British str., from Kutchinotzu.
 19. Glaucus, British str., from Shanghai.
 19. Haimun, British str., from Foochow.
 19. Hopsang, British str., from Hongag.
 19. Idomeneus, British str., from Yokohama.
 19. Knirsberg, German str., from Amoy.
 19. Shinano Maru, Jap. str., from Shanghai.
 19. Trieste, Austrian str., from Kobe.
 19. Pongtong, German str., from Bangkok.
 19. Proteus, Norwegian str., from Bangkok.
 19. Taisang, British str., from Chinkiang.
 20. A. Duperre, French str., from Singapore.
 20. Hangkang, British str., from Shanghai.
 20. Heim, Norwegian str., from Bangkok.
 21. Hongkong, French str., from Haiphong.
 20. Huichow, British str., from Tientsin.
 20. L. Scheiff, German str., from Bangkok.
 20. Loongkang, British str., from Manila.
 20. Seiko Maru, Japanese str., from Kobe.
 20. Signai, German str., from Bangkok.
 20. Sullberg, German str., from Haiphong.
 21. Bayern, Ger. str., from Yokohama.
 21. Formosa, British str., from Yokohama.
 21. Helene, German str., from Fwafow.
 21. Korea, Am. str., from San Francisco.
 21. Mercedes, British str., from Kobe.
 21. Quarts, German str., from Saigon.
 21. Scharnhorst, German str., from Bremen.
 21. St. Domingo, Dan. str., from Copenhagen.
 21. Tsinan, British str., from Sydnev.
 22. C. Diederichsen, Ger. str., from Haiphong.
 22. Fook sang, British str., from Samarang.
 22. Hong Wan I, Brit. str., from Singapore.
 22. Hue, French str., from Haiphong.
 22. Massan Maru, Jap. str., from Tamsui.

DEPARTURES.

18. Dagny, Norwegian str., for Chefoo.
 18. Delhi, British str., for Europe.
 18. Haitan, British str., for Swatow.
 18. Hongkong Maru, Jap. str., for Shanghai.
 18. Kanagawa Maru, Japanese str., for Kobe.
 18. Locksun, German str., for Swatow.
 18. Nord, Norwegian str., for Tsingtau.
 18. Rubi, British str., for Manila.
 18. Tamsui, British str., for Iloilo.
 19. Benlomond, British str., for Nagasaki.
 19. Castor, Norwegian str., for Shanghai.
 19. Ceylon Maru, Jap. str., for Singapore.
 19. Drufar, Norwegian str., for Swatow.
 19. Hikoean Maru, Jap. str., for Kutchinotzu.
 19. Hunan, British str., for Tientsin.
 19. Joshin Maru, Japanese str., for Swatow.
 19. Kisgasto Maru, Japanese str., for Saigon.
 19. Nanchang, British str., for Tsingtau.
 19. Progress, Norwegian str., for Haiphong.
 19. Rajaburi, German str., for Swatow.
 19. Sexta, German str., for Saigon.
 19. Suma Maru, Japanese str., for Nagasaki.
 19. Tungus, Norwegian str., for Nagasaki.
 19. Yangmoo, Corean str., for Kutchinotzu.
 19. Yochow, British str., for Shanghai.
 20. Anchises, British str., for Rangoon.
 21. Amiral Duperre, Fr. str., for Shanghai.
 21. Chibli, British str., for Haiphong.
 21. Glaucus, British str., for Singapore.
 21. Haimun, British str., for Swatow.
 21. Idomeneus, British str., for Singapore.
 21. J. Diederichsen, German str., for Hoihow.
 21. Mathilde, German str., for Haiphong.
 21. Taming, British str., for Manila.
 22. Bayern, German str., for Singapore.
 22. Cardiganshire, British str., for Shanghai.
 22. Drufar, Norwegian str., for Swatow.
 22. E. F. Ferdinand, Aus. str., for Shanghai.
 22. Formosa, British str., for Singapore.
 22. Knirsberg, German str., for K. C. Wan.
 22. Kwonglee, Chinese str., for Shanghai.
 22. Monteagle, British str., for Shanghai.
 22. Protector, Dutch str., for Shanghai.
 22. Rajaburi, German str., for Amoy.
 22. Scharnhorst, German str., for Shanghai.
 22. Seiko Maru, Japanese str., for Saigon.
 22. Shakan Maru, Japanese str., for Saigon.
 22. Wongkol, German str., for Bangkok.

PASSENGERS.**ARRIVED.**

- Per Meefoo from Shanghai, Mr. Mauersberger.
 Per Kuikiang, from Shanghai, Mrs. D. Jansen and three children, and Mr. Nollean.
 Per Denbighshire, from Kuchinotzu, Mrs. Ames, Messrs. Veane, Pearson, Chamberlin and Pooley.

Per Loongsang, from Manila, Mr. and Mrs. McLain and two children, and Mr. Charles O. Marks.

Per Kwangtah, from Shanghai, Mrs. Hanisch, Mrs. E. Hazelton and two children, and Mr. Max Eugle.

Per Cardiganshire, from London &c., Dr. Waghou, Messrs. A. Garner, W. Paterson, A. Moody, W. Spears, I. Eldridge, and W. Souza.

Per Ho gkong, from Haiphong &c., Mr. and Mrs. Levasseur, Mr. and Mrs. Binet, with Governess and child, Dr. Rilees, and Mr. Adaree.

Per Tean, from Manila, Mr. and Miss Pettigall, Mrs. Jenjong, Lieutenants Jackson, Fleet, Leonore, Nalle, Caffery, Ball, Messrs. Kingcome, Forbes, Burgers, Uison, Ioeline, Bangb, Wab-r, and Oters.

Per Japan, from Calcutta, &c. Hon. & Mrs. Wilber, Mrs. Cohen, Mrs. Shepherd, Miss J. W. Tracy, Miss Chater, Messrs. Geo. Morrison, and W. A. Shearman.

Per Zafiro, from Manila, Mr. and Mrs. Kerkhoven and child, Col. and Mrs. Robertson, Mrs. S. B. Hartley, Mrs. C. Inchausti, Miss C. Maylin, Miss M. Lubeldia, Rev. Canon O. Mahoney, Col. Ames U.S.A., Sor Elfect, Sor Marie Rosa, Messrs. R. Toledo, J. Rozas, W. Shuton, G. Kyer, and Jennings.

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Per Prinz Waldemar, from Yokohama, Mr. W. Partridge.

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DEPARTED.

Per Prinz Waldemar, for Sydney &c., Mr. and Mrs. K. Dobashi and child, Mr. and Mrs. and Miss Hazanas, Mrs. M. C. Cowlishaw, Mrs. Baronin v. Bisham, Mrs. Hunter, Miss S. Cowlishaw, Miss Kupfer, Miss Pourke, Miss B. da Rosa, Miss B. Richards, Messrs. R. G. Cowlishaw, Emil Drews, Graves, Friedrich Gumbert, Walter A. Jones, E. Pingdengolas, D. Pingdengolas, J. F. C. da Rosa, G. W. Thierfelder, and Woolfe.

Per Scharnhorst, from Hongkong, for Shanghai, Colonel and Mrs. Robertson, Misses G. Harms, Silva, and Santog, Dr. S. W. Tschen, Messrs. W. D. Dohen, G. Harling, F. Reiber, F. O. Leiser, Silva, E. Gluien, H. Helmer, T. Phelipo, and Ohlen; for Nagasaki, Mrs. S. Swartz, Miss Clow and party, Messers. Ames, Yama-chida, Neshimura, Tashima, Ihida, Mar-saremi, Fukaji; for Kobe, Mr. and Mrs. Le Vassen, Mrs. Domino, Messrs. A. H. Ruthe-ford, Joschida, Hashimoto, Abe, Shinobary, Nagasaka, Manamtki, and Shwdaki; for Yokohama, Mr. and Mrs. Cosjan, Capt. and Mrs. Rhea and childred, Miss M. Henderson, Miss Gnatt, Messrs. Phelps, G. F. Krause, Irikawa, D. C. Cruz, A. Reva, Avki, and I. Chil.

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Per Bayern, from Hongkong, for Hamburg, Mr. and Mrs. Brenike, Mr. and Mrs. Brewster, Mr. and Mrs. Drysdal and children, Mr. and Mrs. Hugh-James, Mr. and Mrs. Hauptmann Homan, Mr. and Mrs. Kreinhi, Mr. and Mrs. von Kistowsky, Mr. and Mrs. C. M. Russell, Mr. and Mrs. Sprügeli, Mr. and Mrs. J. Stopani and children, Mr. and Mrs. George Thompson, Mr. and Mrs. Younger, Mrs. C. G. Edwards, Mrs. Gilbert, Mrs. F. Holstein, Mrs. Lowry and children, Mrs. MacPherson and baby, Mrs. Neresheimer, Mrs. H. L. Perné, Miss Köhler, Miss Peebles, Miss M. Peebles, Miss Lowell, Miss M. Raat, H. E. Vice-Admiral Breusing, Colonel Somerville, Dr. F. G. Gavicho, Capt. R. Hatje, Capt. Hansen, Capt. Koob and child, Capt. Mangelsdorff, Messrs. Adair and Bedienung, A. J. Badde, Oberleutnant, v. Berger, Blass, Boholawalla, Bruner, Bovet, S. M. Basar, J. Bacon, Benjamin, Conrad, Lieutenant Samuel D. Crawford, V. J. Diger, Denison, Referendar F. Göring, M. Lt. Goar, F. Grindle, Günther, Haslewood, Hirose, Baron v. Heynitz, S. B. Hartley, T. N. Hellemaus, Walter A. Jones, H. Koyama, Karmacher, A. Koch, K. Leist, C. M. McArthur, C. Prediger, Sü Bohm, H. Shen, Thun, Baron E. L. R. Trefts van Amerongen, H. C. Westendorp, M. Yano, O. Yamagato, and Guido Zeyen.

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